Coor creates the best workplace environments in the Nordics

ANNUAL REPORT AND SUSTAINABILITY REPORT 2023

COOR SERVICE MANAGEMENT HOLDING AB

Contents

Our vision

Coor creates the happiest, healthiest and most prosperous workplace environments in the Nordic region. We strive tirelessly to build the teams and full-service solutions that enable our customers to do what they do best.

Who are we

We always put people at the centre. Coor consists of 13,000 employees who work across the Nordic region and in Belgium. We offer around a hundred services in a variety of service areas, the largest of which are cleaning, property services, workplace services, and food and beverages.

Our driving forces

Sustainability inspires everything we do and our driving forces are: satisfied customers, engaged employees, increased inclusion and a reduced carbon footprint. Through innovative approaches and partnerships with customers, suppliers and start-ups, we work tirelessly to find new solutions. With the right equipment and innovative technology, we create safe, secure and prosperous workplaces for our customers as well as our own employees.

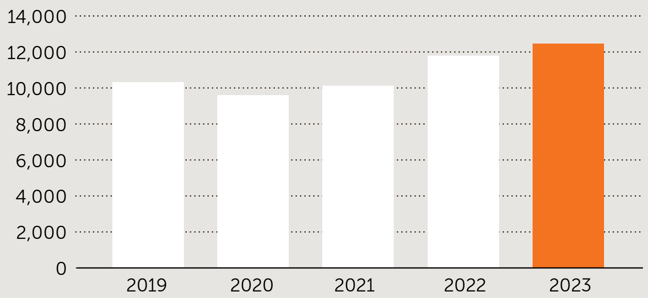
How we create value

With a passion for service and a focus on continuous improvement, we create value by implementing, leading and streamlining the delivery of services in our customers' premises. We also help our customers to achieve their sustainability goals, both by reducing their climate impact and by creating a better work environment for their employees. But we create the greatest value for our customers by taking over responsibility for all services in and around the workplace so that they can concentrate on their core business.

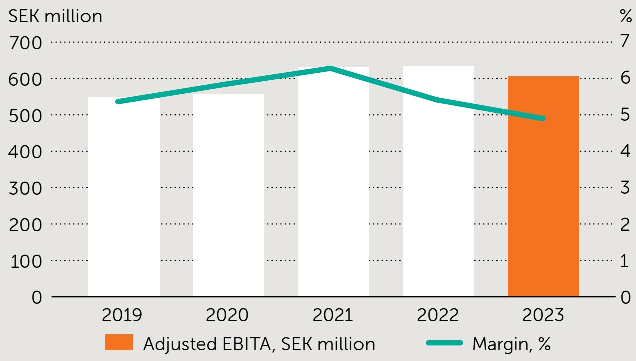
»We create value
for our customers with our
passion for service.«

A year of growth and focused environmental efforts

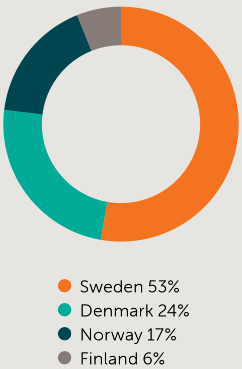
Annual net sales



Annual operating profit and margin



Net sales by country

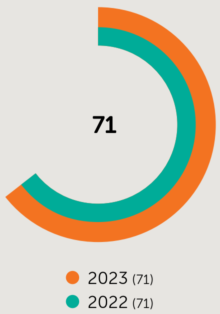


Net sales by type of contract

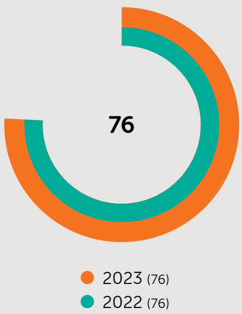
Key performance indicators	2023	2022
Net sales, SEK million	12,443	11,789
Organic growth, %	*2*	*5*
Acquired growth, %	*2*	*9*
FX effects, %	*1*	*3*
Adjusted EBITA, SEK million	606	634
Adjusted EBITA margin, %	4.9	5.4
EBIT, SEK million	364	408
Profit after tax, SEK million	155	257
Cash conversion, %	86	94
Earnings per share, SEK	1.6	2.7
Number of employees (FTE) at year-end	10,648	10,267
Dividend per share, SEK	3.00 [1)]	4.80

[1)] The dividend is subject to approval by the Annual General Meeting on 26 April 2024.

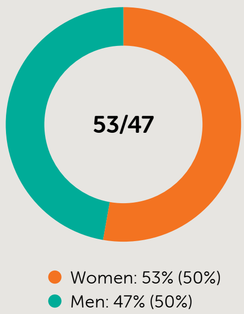
Customer Satisfaction Index



Employee Motivation Index



Gender distribution managers



Percentage of suppliers with validated SBTi targets

18%

An eventful year 2023

The year was dominated by new and extended contracts, margin improvement measures and a strong focus on sustainability and innovation.

JANUARY

Sustainability-linked refinancing
Coor signs an agreement on sustainability-linked refinancing of its existing revolving credit facility. The sustainability-linked refinancing reflects Coor's commitment to environmental and social responsibility. The margin is linked to the achievement of environmental targets related to CO_2e emissions (Scopes 1 & 2 and Scope 3), which supports Coor's goal of achieving net zero emissions, and social targets related to the company's total recorded injury frequency (TRIF) rate, which is part of the company's vision of zero work-related injuries.

FEBRUARY

Committing to Net Zero by 2040
Coor has committed to reaching net zero greenhouse gas emissions by 2040. This is ten years earlier than required for signatories of the Science Based Targets initiative (SBTi).

"It feels fantastic that Coor is setting a goal that it is aiming to reach ten years before the date set by the official standard. It is also further testimony to the fact that our sustainability strategy fully supports our vision to become a truly sustainable company," says AnnaCarin Grandin, President and CEO of Coor.

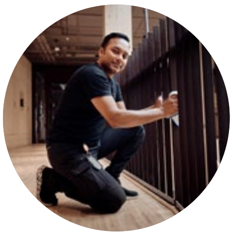
APRIL

Among the best in Sweden for gender equality
Coor comes second in the 2023 SHE Index powered by EY ranking and thus maintains a place on the podium as one of Sweden's most gender-equal companies. SHE Index powered by EY is a tool for assessing companies and helping them to promote gender equality. Companies participate by answering questions in six different categories on the basis of which an individual index is calculated. The index also evaluates the companies' active efforts to promote diversity and inclusion. In the 2023 survey, Coor received a score of 93 out of a possible 100.

SHE INDEX POWERED BY EY

APRIL

Coor acquires Skaraborgs Städ
Coor signs an agreement to acquire Skaraborgs Städ, which offers workplace FM services with a primary focus on cleaning to a large number of customers in Västra Götaland, Småland and Värmland. The acquisition expands Coor's geographical coverage in Sweden. Skaraborgs Städ has 800 employees and annual sales of around SEK 400 million. The purchase price (on a cash and debt-free basis) is SEK 250 million. The acquisition is financed entirely through Coor's existing financing framework. Skaraborgs Städ includes the subsidiaries Städtjänst Värmland, Kristinehamns All Rent and Sanmix.



AUGUST

Coor signs IFM contract with Swedbank
Coor signs an integrated facility management contract with Swedbank. The contract runs for four years with an option to extend and is worth around SEK 220 million annually, including estimates for annual variable project volumes. Coor will deliver a broad range of integrated services including cleaning, technical service, administrative services, coffee, fruit, plants and caretaking at all Swedbank offices in Sweden. The contract runs from 15 December 2023.

SEPTEMBER

Extended contract with Aibel
Aibel AS is a leading Norwegian service company that specialises in oil, gas and renewable energy. Since 2014, Coor has been delivering and developing integrated FM services at five of Aibel's sites in Norway. Coor's contract with Aibel is now being extended for five years, until 2029. The contract is worth around SEK 200 million over the contract term, not including additional variable project volumes. The contract covers services such as cleaning, reception, restaurant and property management services.

JUNE

Jenny Lindgren joins executive management
Jenny Lindgren will take over as Senior Vice President Operational Development and Digitalisation on 1 September 2023 and will join Coor's executive management team. Before joining Coor, Jenny Lindgren was Head of Transformation & Planning B2B at Telia Company. She also has extensive experience from various roles in the IT industry with Cygate, Tietoevry as well as other companies.

MAY

Simply by Coor makes life simpler
Simply by Coor is our new digital platform that makes working life easier for our service users, i.e. the employees of Coor's customers. Through Simply by Coor, they can access all the workplace services they need during their working week, such as news, lunch menus, meeting food, mail, concierge services and event information. Simply by Coor is fully integrated with Coor's service delivery, and functions as well as content can be tailored to each individual workplace. The new platform also enables integrations with customers' or third-party providers' case management systems, such as room booking and other systems, all with the aim of making the working lives of the service users as easy as possible.

OCTOBER

Coor launches action programme for margin improvement
In its third-quarter interim report, Coor presented an action programme aimed at accelerating progress towards achieving the company's target margins. The action programme includes extended cost control, downsizing through increased harmonisation and industrialisation of underlying processes with a focus on cleaning, property management and food and beverages. There is also an increased focus on purchasing to take greater advantage of Nordic economies of scale. Once fully implemented, the action programme is expected to have an annual effect of around SEK 100 million. Costs for the programme are estimated at SEK 40 million, most of which will be recognised in the fourth quarter, when the layoffs are implemented.

Net zero 2040 target validated
Coor is aiming to achieve net zero greenhouse gas emissions no later than 2040. The Science Based Targets initiative (SBTi) has now reviewed our plan and validated that it is consistent with what is required to achieve the research-based target. To achieve the target ten years earlier than required by the standard, we have identified three key areas for our transition: emissions from Coor's own operations, a shift to more sustainable menus in our restaurants and a more circular flow, both in business models and from suppliers.

NOVEMBER

Coor in Sweden strengthens and consolidates its offering in security
By merging Addici Security, with 700 employed security guards, and its Security business area, with around 100 specialists in technical security services, Coor creates Addici Security & Technology. The purpose is to enable Coor to meet changed customer requirements resulting from the escalated security situation in Sweden.
"We are offering the market an even broader portfolio of security and peace-of-mind services. Through a long-term approach, transparency and intelligence, we create cost-effective solutions that balance risk, damage prevention and damage mitigation measures," says Andreas Glansborg, CEO of Addici Security & Technology.

Coor named Career Company
For the fourth year running, Coor has been named a Career Company. The award is given by Karriärföretagen, which every year lists employers in Sweden that offer unique career and development opportunities for young talented employees. In naming Coor a Career Company, Karriärföretagen stated: "Through its commitment to the development and well-being of its employees, Coor creates a corporate culture that promotes collaboration, diversity and personal growth. This employer not only offers opportunities for an exciting career, but also the opportunity to be part of a workplace where innovation and well-being are at the centre."

A year of growth, accelerated sustainability efforts and innovations

It is time to look back on a year in which Coor won many new deals while maintaining continued high variable volumes, stepped up its sustainability efforts and where the demand for innovative solutions accelerated.

Every winter, between the run-up to Christmas and the New Year celebrations, I usually spend time reflecting on the past year. When I look back at 2023, I do so with great pride and joy at Coor's fantastic employees and at how much we have achieved together.

In recent years, we in the Nordic region have faced a more challenging world. Unfortunately, 2023 was no exception, with a declining economy and rising inflation, as well as continued war in our neighbouring Ukraine and a war in Israel and Gaza. My heart goes out to all the people in the world's conflict zones who are suffering in some way. At Coor we have always been ready to adjust, whatever the economic situation or state of the world. This proved a great strength in 2023.

Many small and medium-sized deals

It has been a very good year in terms of both new sales and growth in project volumes. I am very proud to note that the year was our third best ever in terms of new sales. We won major new contracts with companies such as Swedbank and Locum in Sweden and ATP Ejendomme and Clever in Denmark, but above all it was a successful year in terms of new small and medium-sized contracts. When the books were closed, our business had grown despite the loss of a major contract during the year. In May, we acquired Skaraborgs Städ, which is now being integrated with Coor. The acquisition further expands our geographical coverage in Sweden.

Strong customer relations is another Coor hallmark. We have a strong pool of expertise in the company, which we deploy to constantly improve our deliveries. During the year, we deepened our partnerships with many of our customers. One example is Aibel in Norway, where Coor's broad service offering and expertise are being put to full use in an integrated facility management delivery which in 2023 was extended for another five years.

We have also strengthened our customer offering in security. During the year, Coor in Sweden merged two businesses. The merger of Addici Security, with 700 security guards, and Coor's security business area with 100 specialists in technical security services, gives us an even broader portfolio of security and peace-of-mind solutions. It enables us to respond to changing customer requirements arising from an escalated security situation.

Our employees – our most important asset

Happy employees make for happy customers. At Coor, we have fantastic employees who go to work every day with the goal of creating the very best experience for the customer and the customer's employees. Our employees are our most important asset; without them we would be nothing. We see this not least during our annual Coor Awards ceremony, where employees are honoured for their achievements and commitment. The number of nominations for the Coor Awards continues to grow every year. In 2023, nearly one in ten employees were nominated in some category. This is an incredible testimony to our employees' passion for service and people.

We have also had a strong focus on work environment and safety and it is very gratifying to see that our safety culture has been further strengthened and that the number of work-related injuries has decreased. Our goal is, of course, that no employee should be injured in the workplace. A country that has significantly reduced the number of work-related injuries during the year is Finland.

In the autumn, Coor in Sweden was named one of the country's top Career Companies for the fourth year running, which shows that we also have a strong brand as an employer. This is a great asset when we seek to attract the best talent in the market to new roles, but it also means that our employees stay for a long time at Coor, where they have great opportunities to develop in their current or new roles. We recruit from a broad base and have employees with many different nationalities and cultural backgrounds. Numerous studies have shown that having people with different viewpoints and backgrounds represented in a team increases its ability to make the best decisions and find effective solutions. It is very clear to me that different perspectives and experiences strengthen Coor.

Sustainability and innovation go hand in hand

During the year, we further accelerated our sustainability efforts. We are committed to achieving the target of net zero emissions by 2040, ten years earlier than required for signatories of the Science Based Targets initiative (SBTi). In October, we became the first Swedish facility management company to have our targets validated by a third party. In order to reach our targets, we have taken initiatives such as gradually transitioning our vehicle fleet to electric vehicles, using electricity from non-fossil fuel sources and choosing suppliers whose climate goals are as ambitious as ours. Our ambitious sustainability targets will demand a lot, not only from us but also from our customers and suppliers, but we are confident that this work will future-proof Coor as a company, among our customers, employees and investors.

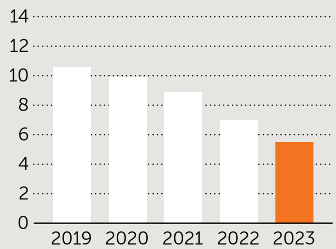
For a number of years now, Coor has also been a signatory to the UN Global Compact whose work is based on its Ten Principles, formulated on the basis of international conventions on human rights, labour, environment and anti-corruption. Our participation in the UN Global Compact is of course ongoing.

I like to say that innovation is part of Coor's DNA. Our ability to innovate enables us to deliver solutions to our

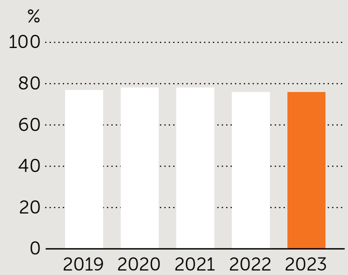
Share of renewable energy in our premises

77%

TRIF (total recorded injury frequency) rate



Committed and motivated employees



customers' practical problems, but it is also a powerful enabler for increased sustainability. That's why we always strive to create new services that both fulfil our customers' demand for efficiency and help them strengthen their sustainability efforts.

Smart Lighting, our automated lighting service, is an excellent example of an innovation where the interest from our customers has increased significantly. The service provides value in several dimensions: it reduces energy use for lighting by up to 90 per cent compared with traditional lighting, which reduces both the carbon footprint and the costs. The good lighting also improves employee well-being.

Another example is our innovative solution for the washing of cleaning cloths and mops, which we developed together with the start-up company Mimbly. This innovation reduces the use of water, while filtering microplastics so that they do not spread to the environment.

Our customers are very much aware that they need to reduce their carbon footprint. This is where our ability to innovate can support them. We have several new innovations in the pipeline that will help our customers calculate their emissions, identify areas for improvement and prioritise measures.

The year ahead

Future – a meaningful word. To many, it represents both uncertainty about what will come and a sense of hope. Looking ahead at 2024, I feel above all the latter. Coor is standing strong and we are set to achieve new successes in the coming years in a market replete with opportunities. Half of the potential customers in the market have not yet procured FM services, instead they are implementing them in-house. My long experience shows that many companies want to find a higher degree of efficiency during a recession and therefore chose to outsource their FM services. Coor is the Nordic market leader and therefore the natural choice for companies that are looking for a trustworthy FM-supplier.

My goal for Coor is simple and clear – to continue to deliver the market's strongest offering to our customers while providing a fantastic service experience. We will also continue the successful acceleration of our sustainability and innovation efforts.

I would like to conclude by saying a big thank you to our customers who continue to show their confidence in Coor. I would also like to extend my sincere thanks to all my colleagues who are contributing to Coor's continued development and success. Finally, I want to thank our shareholders for your continued commitment to Coor as an investment.

AnnaCarin Grandin
President and CEO
March 2024

Coor creates the best workplace environments in the Nordics

Coor offers around a hundred different services in various service areas, ranging from individual cleaning services to complex IFM deliveries. Regardless of which services are provided, we always strive to create the happiest, healthiest and most prosperous workplace environments in the Nordic region. We strive tirelessly to build the teams and full-service solutions that enable our customers to do what they do best.

Smart solutions
Coor SmartSolutions is a series of solutions based on new technology that make our customers' properties and workplaces more attractive, efficient and environmentally sustainable. These include SmartClimate, which improves the indoor climate, and SmartLaundry, which saves water and energy and filters out microplastics. Other services valued by our customers are SmartEnergy for energy efficiency, SmartDrone, which enables smarter inspections of properties, and SmartLighting, which reduces energy use by up to 80 per cent while also improving well-being through more human-centric lighting (HCL).

Property services
We are experts at property services – we maintain some 20 million square metres of floor space across the Nordic region. As a professional partner, we always ensure the right balance between preventive and corrective maintenance over time, with the aim of optimising the property's function and net operating income over its entire lifecycle. Coor offers everything from high-tech maintenance to caretaking services. We have experts in areas such as energy optimisation and asset management, a method that maximises the performance and lifespan of all resources and ensures short maintenance times.

Cleaning
Our strength lies in our ability to combine the professionalism of a large cleaning services company with the commitment of a local player. Coor has the resources, methods and expertise required to provide a wide variety of cleaning services: from office cleaning to more advanced services such as cleaning of hospital environments and cleanrooms. Data-driven cleaning, or cleaning "where it is needed" based on collected information, is increasingly a part of our deliveries.

ONE single contact
Our customers appreciate that they get a single contact person, either a site manager or contract manager, who coordinates all FM services. This clear model saves time and ensures that nothing falls between the cracks. The delivery is regularly followed up with the customer and our contact person makes suggestions for improvements and innovations that can improve efficiency.

Food and beverage
Coor runs a large number of restaurants in Sweden, Norway and Denmark. Today's food should do good – for those who eat it and for the planet. The key to success is local adaptation based on the customer's needs. That's why the menus for the restaurants are based on local produce and adapted to local preferences. All restaurants have a major focus on sustainability, health and reduced food waste.

Office services
The goal is to create an overall experience centred on net-working, service and well-being that allows our customers, their employees and guests to thrive. This encompasses things like a warm welcome at reception, good coffee, fruit baskets that are kept topped up, smooth and efficient mail and freight handling, and well-functioning lighting. In short – a good experience on all levels. At this modern workplace, Coor can easily apply its smart solutions, for example in the form of sensors that measure the indoor climate and detect whether conference rooms are being used.

Security
We have extensive experience of providing security solutions for businesses with high security requirements. Security guards, security technology, access control and fire safety are a few examples of these services. Through its subsidiary company Addici Security & Technology, Coor also has its own certified alarm centre that is manned around the clock, seven days a week.

Outdoor environment
The outdoor environment is what our customers and their employees encounter first upon arriving at work in the morning. Coor currently manages more than 11 million square metres of outdoor space. We ensure that bushes, lawns and flower beds always look their best. In winter, we plough and do winter maintenance of car parks, roads and roofs, all to create an appealing and safe outdoor environment.

Tomorrow's workplace
Coor helps its customers to create tomorrow's workplace – a place where employees like to be. Our latest *Join the workplace revolution* survey among more than 1,000 business leaders and employees shows that today's employees want a workplace that has areas for teamwork as well as more focused work. Properly designed, an office becomes a mediator of culture that helps to build a sense of community and encourages personal development while providing services that make working life easier for the employees. Our workplace strategists assist through all stages of the process, from feasibility study to implementation, and have extensive experience of creating efficient and thriving workplaces.

Conference services
Our conference business includes Coor's own facilities as well as conference services that are provided on site at the customer premises. We ensure that our customers have a good experience throughout their meeting.

Partnership model creates opportunities for Aibel to develop its business

With a single point of contact to all the necessary facility management professionals, the Norwegian company Aibel can focus on what they do best. This year we celebrate ten years of partnership and prepare to take on new joint projects.

The Norwegian company Aibel specialises in the design, construction and maintenance of facilities in the energy sector. The company operates at six locations across Norway and Coor has been delivering facility management services to all of Aibel's sites for the past ten years. The contract includes cleaning, property management, restaurant, reception, security, mail handling, plant and – most recently – workplace advisory services.

"Now we have enlisted the help of Coor Advisory to design a modern workplace at our engineering office in Asker," says Mette Steinsland, Head of Facility Management at Aibel. "This is precisely what creates the greatest value in our work with Coor – having a broad and professional facility management organisation behind us. We can always contact Coor's experts to discuss concerns and ideas and they often come up with their own initiatives."

Coor and Aibel's collaboration is based on a partnership model where both parties share values, goals, results, risks and rewards.

Mette Steinsland describes the partnership as a successful journey.

"The partnership model gives us a special focus. Coor just wants to do what is best for us at Aibel and as a partner is very flexible and understanding."

Adam Därnemyr, Contract Manager at Coor, and Mette Steinsland, Head of Facility Management at Aibel.

Adam Därnemyr, Contract Manager at Coor, agrees with her. "We have managed to make big savings for Aibel and have shown ourselves to be very flexible. Aibel trusts our decisions. This means that we can save money for them but also that they allow us to invest in what we judge to be important," he says.

Coor's IFM delivery engages 65 employees and covers many of the company's service areas, but the interface with the customer is always a single point of contact, whatever the issue.

"Having a single point of contact has created important synergies and savings for us," says Mette Steinsland.

The contract between Aibel and Coor was recently extended by five years. The decision was based both on the success of the collaboration so far and on future joint development opportunities.

"I see a big potential going forward, for example in how we can use Coor's expertise in energy efficiency and sustainability," says Mette Steinsland.

The new contract covers the existing delivery as well as a series of future improvements proposed by Coor.

"We had a very good dialogue with Coor and took the view that this was such an interesting avenue to explore that we decided not to invite tenders from other providers," says Mette Steinsland.

Aibel

Aibel builds and maintains platforms and other critical infrastructure for the energy industry. The company has a leading position in the European offshore wind industry as well as in the electrification of offshore oil and gas installations and onshore processing facilities. Aibel is one of the largest service providers on the Norwegian continental shelf and offers a complete range of innovative and sustainable solutions. Over 5,000 employees work at the company's offices in Norway, Thailand and Singapore. Aibel also owns two modern shipyards in Haugesund, Norway, and in Laem Chabang, Thailand, with significant capacity for prefabrication and construction.

Coor – a leading player in facility management

A leading provider of IFM services in the Nordic market, Coor is also targeting growth in single FM services. We see clearly that the Nordic market has great growth potential.

Total market

The value of all FM (facility management) services for all businesses and organisations in the Nordic region. This includes the value of services that are currently handled by the companies themselves.

SEK ~400 bn

Outsourced FM

The total value of the outsourced share of the market.
- → ~3% annual growth
- → Large and small customers
- → Fragmented market

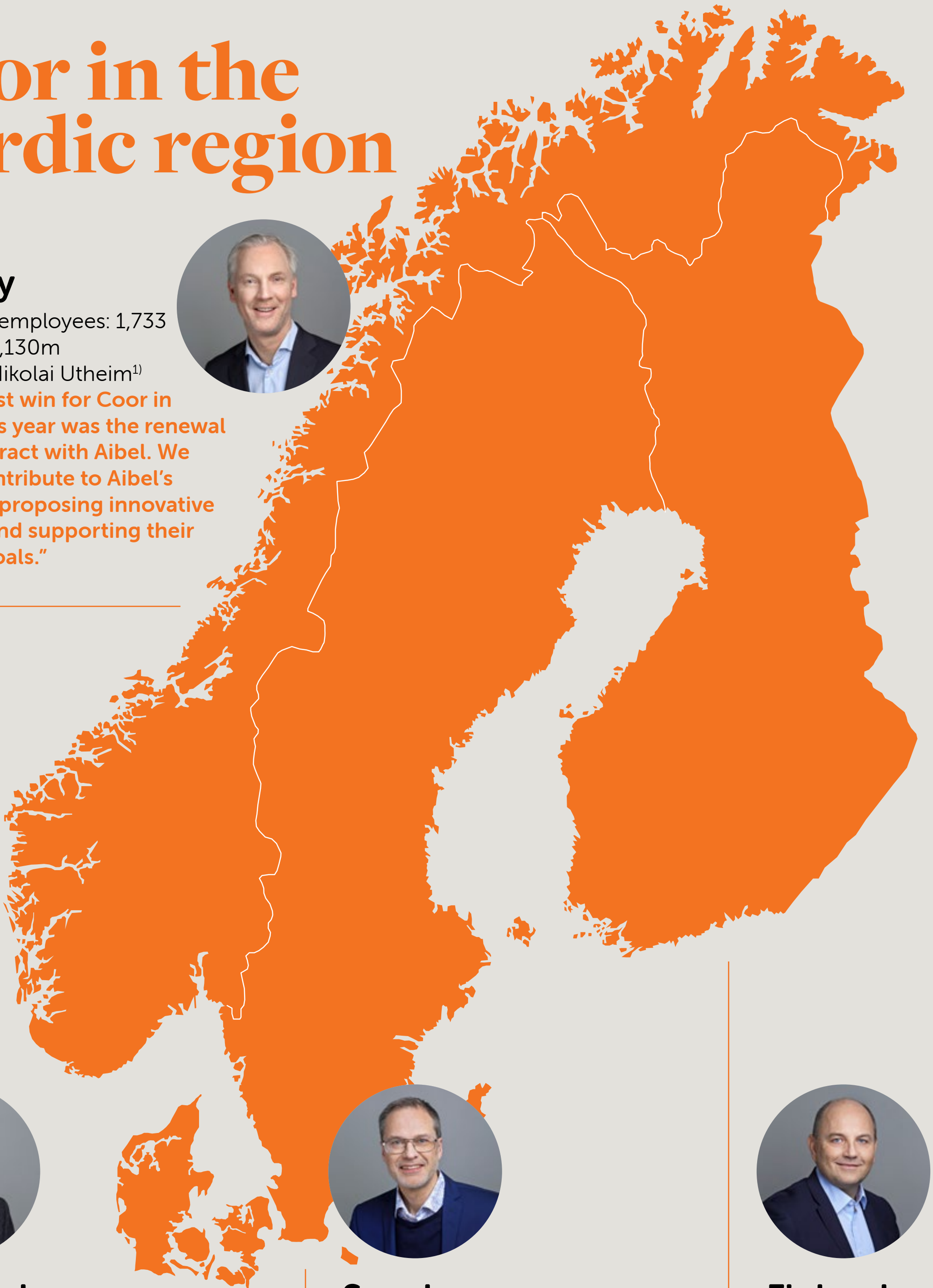
SEK ~200 bn

Outsourced IFM

The total value of the outsourced share of the market.
- → ~5% annual growth
- → Mainly large customers
- → Consolidated market

SEK ~20 bn

Coor in the Nordic region



Norway

Number of employees: 1,733
Sales: SEK 2,130m
President: Nikolai Utheim[1)]

"The biggest win for Coor in Norway this year was the renewal of our contract with Aibel. We want to contribute to Aibel's success by proposing innovative solutions and supporting their strategic goals."

Denmark

Number of employees: 3,675
Sales: SEK 3,023m
President: Jørgen Utzon

"I am extremely proud of the work we have done in Denmark to harmonise, streamline and centralise our organisation. We have become more efficient and can provide even better service to our customers."

Sweden

Number of employees: 6,487
Sales: SEK 6,588m
President: Magnus Wikström[2)]

"Sales were good in 2023 and we signed contracts for a large number of new deals. The contract with Swedbank consolidates our position as a leading player in the Nordic IFM market."

Finland

Number of employees: 1,114
Sales: SEK 703m
President: Marcus Karsten

"This year was revolutionary for us in terms of safety. The number of workplace accidents almost halved compared with last year."

[1)] In December 2023, Nikolai Utheim, President of Coor in Norway, chose to leave Coor to take on a new role outside the company, having been with us for 15 years. Stine Solheim will take over as President of Coor in Norway in the second quarter of 2024.
[2)] Magnus Wikström, President of Coor's Swedish operations, stepped down in mid-February 2024. A recruitment process has been initiated to find a permanent replacement and Magnus Wikström is succeeded by an external interim solution until a permanent replacement has been appointed.

We are building a stronger Coor for the future

In 2023, we won a number of major new contracts, including Swedbank, and we extended a number of important contracts. We also saw a good level of activity in the market and a very positive trend in our TRIF (total recorded injury frequency) rate.

How would you sum up 2023?
"There was a lot that was positive. We saw a good level of activity in the market, and we won a number of new contracts, including the contracts with Swedbank in Sweden and ATP Ejendomme in Denmark. We also extended a number of important contracts, such as those with Aibel, Equinor Offshore and MAN. We have a strong position in a market with solid organic growth, so there are good prospects for continued growth. We are also proud of our high level of ambition in environmental and social sustainability, where we are seeing a positive trend when it comes to our injury rate, for example, following several years of active efforts.

Yet 2023 was also a challenging year, marked by global unrest and a continued high level of inflation. As a company, we did not quite perform in line with our financial targets. I have strong confidence in the concerted effort we are now making in the form of an action program and am confident that it will take us back to our target margins."

What was your focus as CFO during the year?
"My main focus during the year was on profitability. But while profitability was naturally high on the agenda during the year, it was also important to continue focusing on other important value drivers in the company. We maintained a high cash conversion rate, which is a key factor for a high dividend payout."

Is sustainability still high on the agenda?
"We always have a strong focus on sustainability, both social and environmental. Early in the year, Coor signed an agreement on sustainability-linked refinancing. The transaction is also a testament to the confidence our partner banks have in Coor and I would like to thank them for their continued support. Through this sustainability-linked transaction, we also confirm Coor's strong social and environmental commitments, which are a central part of our strategy.

"During the year, we also had our net zero 2040 goal validated by a third party. This shows once again that we are focusing on the right things in our sustainability strategy. This is one of the things we are doing to future-proof our company and maintain our market-leading position in facility management in the Nordics."

Andreas Engdahl, CFO and IR Director, Coor

Coor is stable despite the uncertain environment. What do you put that down to?
"Coor has a strong financial position as well as a high cash conversion rate. We are secure thanks to our well-thought-out business model with a large share of subscriptions, which gives us the ability to generate strong cash flows even in times of rapid change. During periods of economic weakness many businesses need to become more efficient, and efficiency is exactly what Coor does best! I also know from experience that many new outsourcing opportunities tend to appear in challenging times."

What is Coor's attitude to the dividend yield?
"Coor places great value on a high dividend yield. Under our dividend policy, we aim to distribute 50 per cent of our adjusted net profit but historically the payout has been closer to 100 per cent. In addition to that, we have been able to make a number of important value-adding acquisitions that have further strengthened our position in the Nordic market."

How do you see the future for Coor?
"I see a bright future. The action programme we launched in autumn 2023 will strengthen our profitability going forward. We are taking an integrated approach and are building a stronger Coor for the future. The goal is to strengthen our profitability and return to our financial targets while continuing to build a sustainable company. The fact that we have an attractive offering in a growing market and a history of being strong in times of rapid change makes me confident about 2024 and the coming years."

Why you should be a Coor shareholder

Strong position in a market with solid organic growth
Coor's leading position in the IFM segment, which accounts for around 60 per cent of the company's business, is creating good prospects for continued growth, as the IFM market is growing significantly faster than GDP and the FM market as a whole. In the short term, growth may vary somewhat, as it is affected by the volume of major IFM contracts coming into the market in any particular period.

The company's services are also in demand regardless of the economic climate. In a strong economy, the volume of FM services in existing contracts increases, but thanks to the significant savings potential that Coor offers its customers the company remains an important partner even in times of economic weakness. Historically, periods of weaker economic growth have led to new outsourcing deals reaching the market.

Coor has a strong position in the Nordic market, where the company is a front runner in sustainability, innovation and digitalisation. With a passion for service and a focus on continuous improvement, Coor creates value by implementing, leading and streamlining the delivery of services in our customers' premises.

Stable profitability
Coor's business is largely about efficiently creating the best workplace environments in the Nordics, and the company has a strong focus on efficiency improvements and cost savings. The combination of strong local management in customer contracts and increased use of synergies within the Group provides a good foundation for maintaining stable profitability. The company also has considerable flexibility in its cost base, which means that changes in sales volumes normally have a limited impact on the operating margin.

Strong cash conversion
In Coor's business model, a large portion of revenue is relatively stable in the form of subscriptions. Coupled with a limited need for capital for investments and operational financing, this ensures a stable and high cash conversion rate, which means that the operating profit is largely converted into cash flow. The company operates with negative working capital, which means that growth has a direct impact on cash conversion.

A high dividend yield
The generated cash flow can be used for dividends or acquisitions or to pay down debt. Any acquisitions are expected to be relatively small and net debt is below the company's target. Coor has a strong position in a market with solid organic growth, which means that the company should be able to continue to offer a high and stable dividend yield to its shareholders over time. The objective of the Board and management is not to accumulate cash in the company but to return profits to the shareholders.

Three reasons to invest in Coor

1

Coor is a market leader in a stable market with good growth opportunities.

2

Coor is relatively immune to the economic cycle with stable profitability.

3

Coor has a high cash conversion rate, creating scope for dividend payments.

We create value

Coor's vision is to create the happiest, healthiest and most prosperous workplace environments in the Nordic region. We strive tirelessly to build the teams and full-service solutions that enable our customers to do what they do best.

Value chain

Triple bottom line

Economic, social and environmental effects permeate our decisions throughout the value chain – we call this value creation in three dimensions.

FOOTPRINT

The resources we use

! Insights from customers and service users, experts and partners.

13,000 employees.

90% of purchased goods and services are negotiated on Coor's contract terms and meet the sustainability requirements in our environmental, social and governance dimensions.

97% of Coor's total CO_2e emissions are indirect Scope 3 emissions.

Read more: "Responsible business," pages 28–38

OPERATIONS

How our resources are used

- We work closely with our customers in a decentralised organisation with our own employees as well as suppliers to provide the best service and create a pleasant working environment.
- Coor delivers not just services, but an entire context in which the services can constantly be improved through innovation. Coor has a strong focus on developing its services and making them more sustainable.
- We enable the customer to focus on their core business.

Read more: "Coor creates the best workplace environments in the Nordics," pages 10–11

HANDPRINT

The value we create

Service users, customers and partners
- Passion for service creates value for approximately 400,000 people every day.
- Around 6,000 new improvements implemented yearly.
- Several new smart solutions launched.

Employees
- Reduced injury frequency (TRIF).
- Increased inclusion.

Suppliers and contractors
- Joint development for more sustainable and competitive solutions.

Investors and shareholders
- A good dividend yield
- Good market position (Net Promoter Score).

Society
- Employing people who are far removed from the labour market – ~ 1,000 new colleagues in 2023.
- Reduced our climate impact per kilogram of raw material purchased in the restaurants by 19% since 2018.

Read more: "Targets and results" pages 26–27

UPSTREAM | COOR | DOWNSTREAM

From the present to the future – how Coor is responding to global trends

Coor's journey towards the future presents challenges as well as opportunities. In this article, we examine five prevailing trends that affect our business, and the opportunities they create for us.

Trends

Opportunities

Data-driven services

In recent years, facility management providers in the Nordic market have begun to explore the possibilities created by data-driven services. By using data, companies can gain insights into how their properties and premises are used and managed, which can help them make well-informed decisions.

We see great potential in using data to improve the customer and user experience. This is an area where we are taking a strategic approach in order to be able to advise our customers on the development and operation of their buildings and to be able to offer more tailored services, such as sensors that provide information about how often different spaces in the offices are being used and thereby determine the need for cleaning.

Generative AI

2023 was a breakthrough year for AI – artificial intelligence – with countless new opportunities in business, the labour market, health, culture, the environment and other areas. But this explosive growth also raises concerns. Investigations are ongoing at a global level and new legislation on the use of AI is expected.

We are convinced that automation and AI, used correctly, will benefit our business. Among other initiatives, we have continued to develop the use of robots, especially in cleaning, and are exploring the possibility of using AI in all our service areas, for example to reduce food waste and to optimise ventilation and lighting systems in buildings.

Tomorrow's workplace

Modern workplace design often begins with a central question: How do we create an attractive and engaging experience for our employees and visitors? In the Nordic region there is a growing awareness in both the private and public sectors of the connection between workplace experience and competitiveness. Using digital solutions, it is now possible to measure user data and satisfaction in near real time, enabling rapid adaptation and improvement of the workplace environment.

Coor has built up strong expertise in development of workplace experiences over many years. Through our regular survey *Join the Workplace Revolution,* we gain good insights into what Nordic employees and decision-makers value. We use our insights into new needs to constantly review which concepts, services and service roles can create a good experience for our customers' employees and guests.

Focus on sustainability

The transition from voluntary to mandatory sustainability reporting is ongoing and covers an expanding range of stakeholders. Investors and the general public as well as business partners, employees and authorities now have expectations and requirements for ambitions as well as results. The EU Corporate Sustainability Reporting Directive is set to be tightened this year with the effect that a growing number of companies will be covered by the reporting requirements. The directive is set to be tightened further in several stages over the coming years.

Coor is aiming to achieve net zero emissions by 2040 – a plan that has been validated by the Science Based Targets initiative (SBTi). The plan includes eliminating emissions from our own operations and from our suppliers. In addition to this, we also offer our customers a range of services and smart solutions that help them measure and reduce their climate impact.

Economic uncertainty

2023 was a year of economic uncertainty, partly due to the geopolitical situation and the weak economic environment.

Coor has historically stood strong during challenging economic times. This is mainly due to two related factors. The first is that outsourcing of facility management services increases when the economy weakens. The second is that Coor offers a flexibility that to a large extent mirrors the customer's needs as we have the strength to quickly adapt our business to new needs and conditions.

Coor's vision
Coor creates the happiest, healthiest and most prosperous workplace environments in the Nordic region. We strive tirelessly to build the teams and full-service solutions that enable our customers to do what they do best.

Vision

Passion for service
We create value for our customers with our *passion for service*. Coor strives to be the leading facility management provider in the Nordics. Our most important service areas are cleaning, property services, workplace services, and food and beverages. We provide our customers with expertise, innovation, development and strategic advice through more than 100 facility management services for workplaces and properties.

Passion for service

Service with IQ
Coor offers a broad range of FM services to private companies in many sectors and industries as well as the public sector. Through innovation and an intimate understanding of the customer, Coor provides the industry's leading and smartest offering. We call this *Service with IQ*.

Service with IQ

Our guiding principles
Coor's three guiding principles, our common values, guide our employees in their daily work.

Our guiding principles

Truly sustainable

Passion for people

We Are Coor

Our navigator – We Are Coor – describes Coor and reflects the key elements that make us what we are. We Are Coor shows who we are in a simple way; it describes our DNA and how everything fits together, from our vision to our most important element – our employees.

We see further
We stay one step ahead in order to solve problems before they actually arise.

We listen
We are open to views and ideas on how we can develop or improve ourselves and our work methods.

We create success
Generating success is about drive and the desire to improve.

Sustainability – a core value
Coor creates value in three dimensions: financially, socially and environmentally. The overall objective is to ensure that the business is successful and generates the highest possible economic return, without compromising on respect for human beings and the environment. Our social and environmental goals are as essential as our business goals.

Passion for people
For Coor, people are what matter most. We would be nothing without our motivated and competent employees supporting our customers' needs. Coor's decentralised organisation with local managers that have extensive responsibility and far-reaching mandates is a key asset. The strong local leadership allows us to be fast, flexible and adapt to individual customer needs.

Key strategic areas

Coor's strategic platform sets the direction for the entire business and guides our priorities and decisions.

A Nordic company

The Nordic countries are Coor's home market. Coor's proximity to its customers and its knowledge of local conditions enable us to offer customised and flexible solutions. We are attentive to our customers' needs and work continuously to strike the right balance between economies of scale in the delivery of services and customer adaptations. Coor has some of the largest IFM contracts in the Nordic region, including the contracts with Aibel, Ica and the Danish Building and Property Agency.

Profitable growth

Over the past few years, Coor has had a very successful growth journey, but this growth coupled with external factors such as high inflation and rising interest rates has put pressure on the company's operating margin and cash flow. To accelerate the company's progress towards its long-term target margin, Coor is implementing an action programme to achieve even greater economies of scale and synergies while maintaining the company's leading position in the Nordic facility management market. The goal is to get back on track towards achieving the company's target margins while leveraging our ability to work together across the Nordic region.

Sustainability in several dimensions

In recent years, Coor has placed particular emphasis on becoming a truly sustainable company. Sustainability – business, environmental and social – should be integrated into everything Coor does. Business sustainability is about running a sound business. Environmental sustainability is about reducing the carbon footprint of our own business and of our customers' businesses. Social sustainability is based on what is fundamental to us at Coor: respect for the equal value and rights of all people and a safe working environment.

Growth in IFM

Coor is the Nordic market leader in delivering IFM services to large organisations with complex requirements. Coor sees continued growth opportunities in the IFM segment, which is growing faster than the FM market as a whole. A growing number of customers are choosing to purchase the majority of their facility management services from a major service provider with the resources to invest in development and innovation. A service provider such as Coor is also able to create synergies between services by using the same personnel for multiple services and thus reduce the overall cost for the customer. This includes management and governance synergies.

Growth in single services

As a major player, Coor is able to offer high-quality separate services at market prices. The service areas that Coor has chosen to focus on are property services, cleaning, workplace services and food and beverages. These services are included in most customer contracts. Coor experienced growth in smaller deals during the year and aims to continue to increase its market share in this area.

Operational efficiency

Coor has a strong improvement and efficiency focus and strives to be the best in the industry at delivering services which increase customer value. Continuous operational improvements are an important part of working life for Coor's personnel. Innovations which increase our customers' efficiency and reduce the use of resources also help to promote sustainable development.

Attract the best talent in the market

Coor is growing and we are constantly looking for new stars who want to grow with us. For us, people are what matter most. We would be nothing without our motivated and competent employees supporting our customers' needs. For Coor, it is the employees that make the difference and we are always looking to attract the very best talent to work with us. That's why we have been engaged for the past couple of years in an employer branding initiative aimed at reaching out to the stars we want to recruit and who we think are a good fit for us.

Modern workplaces

In recent years, many companies have been placing a growing emphasis on strategic workplace issues. Hybrid working has evolved rapidly, creating new demands on our workplaces and working methods. There is strong demand across the Nordic countries for our consultants, who help businesses and organisations to create attractive, healthy and inspiring workplaces that will stand the test of time. Coor's consultants develop strategies and concepts for the modern workplace and take overall responsibility for the implementation of the project.

Targets and results

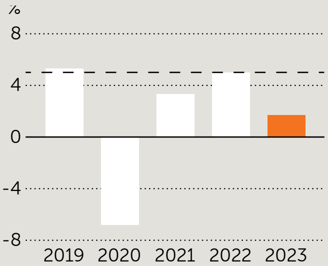
Developing our business in line with Coor's vision requires a long-term approach to sustainability. Coor creates value in three dimensions – business responsibility, social responsibility and environmental responsibility – and regularly reports its results in relation to the company's long-term targets.

BUSINESS RESPONSIBILITY

Organic growth

TARGET 5%
Annual organic growth of 4–5 per cent over the course of a business cycle.

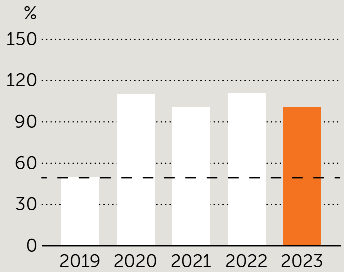
RESULT 2%
In 2023, Coor grew organically by 2 per cent, which is below the company's target over a business cycle. Organic growth was boosted by the large IFM contract with the Danish Building and Property Agency, a large number of new medium-sized contracts and high variable volumes in property services and food and beverages. The ended contracts with Volvo Group and Ericsson had a negative impact.



Payout ratio

TARGET ~50%
The target is to distribute around 50 per cent of the company's adjusted net profit for the period (before amortisation and impairment of intangible assets) in ordinary dividends to the shareholders.

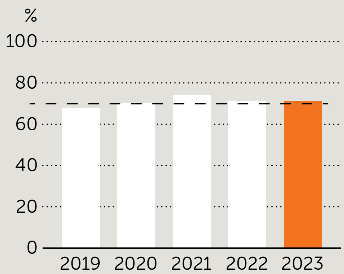
RESULT 101%
In view of the company's continued stable cash flow, the Board proposes a dividend for 2023 of SEK 3.00 per share (comprising an ordinary dividend of SEK 2.40 per share and an extraordinary dividend of SEK 0.60 per share). This equates to a high dividend yield of 7 per cent. The total dividend amounts to 101 per cent of the company's adjusted net profit for the year. The proposed dividend is subject to approval at the 2024 AGM.



High customer satisfaction

TARGET ≥70
The goal is to maintain a high level of customer satisfaction over time (Customer Satisfaction Index) ≥70.

RESULT 71
The result for the year – a score of 71 – indicates a level of customer satisfaction that is still well in line with the company's targets.

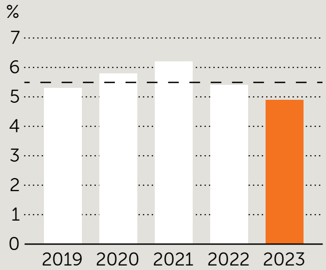


Adjusted EBITA margin

TARGET ~5.5%
An adjusted EBITA margin of around 5.5 per cent in the medium term.

RESULT 4.9%
In 2023, Coor had an adjusted EBITA margin of 4.9 per cent. The margin is slightly below Coor's long-term target.

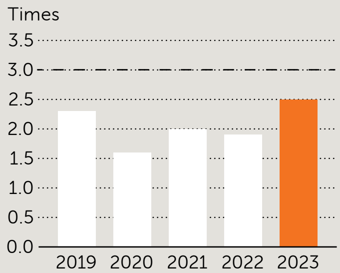
In the second half of 2023, Coor implemented an action programme to accelerate progress towards achieving the company's long-term target margin. The programme includes increased cost control, streamlining of underlying processes and an increased focus on purchasing to take advantage of Nordic economies of scale.



Capital structure

TARGET <3.0X
Net debt of less than 3.0 times adjusted EBITDA in the medium term.

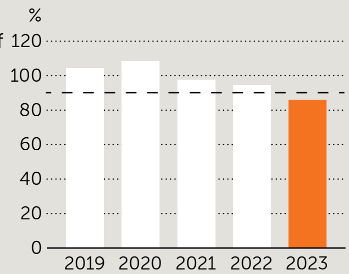
RESULT 2.5X
Coor reports a leverage of 2.5 times adjusted EBITDA, which is well in line with the company's target. The increase during the year is attributable to the payment of dividends to shareholders of SEK 456 million and the acquisition of Skaraborgs Städ.



Cash conversion

TARGET >90%
A cash conversion rate in excess of 90 per cent in the medium term.

RESULT 86%
The outcome of 86 per cent for 2023 is slightly below Coor's target. The lower outcome is partly attributable the fact that the year ended on a Sunday, which resulted in a slightly higher share of overdue accounts receivable. The company has seen no change in behaviour when it comes to payment patterns.

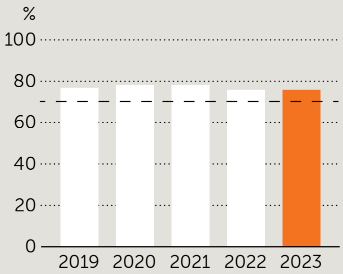


SOCIAL RESPONSIBILITY

Committed and motivated employees

TARGET ≥70
The target is to maintain a high level of employee motivation (Employee Motivation Index) ≥70.

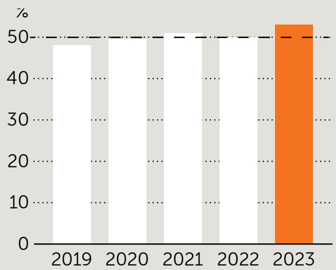
RESULT 76
In the employee survey for the year, Coor maintained a high score – 76 – which is above the company's target and in line with last year.



Equal opportunities

TARGET 50%/50%
The target is a 50/50 gender balance at management level.

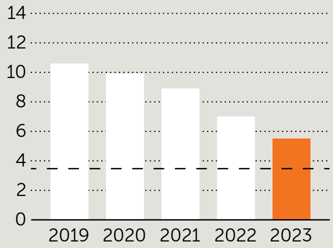
RESULT 53%/47%
Across the company as a whole, the proportion of women in management positions is 53 per cent, which is in line with the company's target.



No injuries or long-term sick leave

TARGET ≤3.5
The target is to reduce the company's TRIF (total recorded injury frequency) rate to ≤3.5 by 2025.

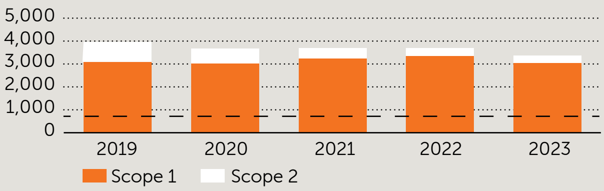
RESULT 5.5
The number of injuries has continued its steady decline. For 2023, the TRIF rate was down by a further 1.5 points, indicating that our efforts have continued to yield results.



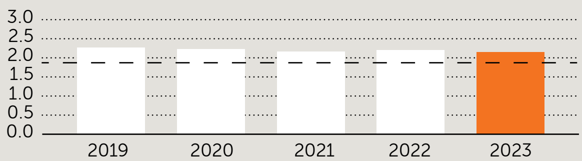
ENVIRONMENTAL RESPONSIBILITY

Reduced emissions

tCO_2e from vehicle fleet and premises (Scopes 1 and 2)



$kgCO_2e$ per kilogram of food purchased (Scope 3)



TARGET –75% / 75% / –30%
Coor's target is to reduce its absolute Scope 1 and 2 emissions by 75 per cent by 2030 compared with the base year, 2018. The interim target is to reduce emissions by 50 per cent by 2025.

Within Scope 3 Coor has a target for 75 per cent of emissions from purchased goods and services as well as upstream transport to come from suppliers who have had their targets approved by the Science Based Targets initiative (SBTi) or an equivalent body.

In food and beverages (scope 3), Coor has a target of reducing emissions by 30 per cent by 2025 compared with 2018, related to the volume of food purchased.

RESULT –3% / 18% / –19%
Overall, Coor's Scope 1 and 2 emissions have decreased by 3 per cent in absolute terms since 2018. The slow reduction in emissions is mainly related to the availability of infrastructure for electrified vehicles coupled with long delivery times for new electric vehicles as well as the company's rapid growth, which has resulted in a growing car fleet. In absolute terms, tCO_2e from energy use have decreased by 58 per cent since 2018.

At the end of 2023, 18 per cent of Coor's emissions came from suppliers with validated Science Based Targets initiative (SBTi) targets.

Furthermore, through measures such as climate-smart menu planning Coor has reduced emissions in food and beverages by 19 per cent compared with the baseline year 2018, and reports a value of 2.15 kg CO_2e/kg food purchased for the year 2023.

Percentage of suppliers signed up to SBTi

18%

Making Nordic workplaces more sustainable

At Coor, we integrate sustainability into everything we do. We set clear and measurable goals for our commercial operations as well as for our social and environmental sustainability management. Our vision is to become a truly sustainable company.

Coor delivers value in three dimensions: business, social and environmental. The balance between these three dimensions is central to our efforts to promote sustainability, which are integrated into all aspects of our business and all important decisions. Satisfied customers, strong employee commitment, inclusion and a reduced carbon footprint are important driving forces for us.

We spend a large part of our lives in our workplace, where we want to experience a healthy, well-functioning and welcoming environment. At the same time, society is facing major environmental and climate challenges that require us to use the planet's resources more sparingly. Faced with these challenges, Coor is doing everything it can to create the best work environments in the Nordics.

We create added value for our customers by delivering experiences and services that contribute to the three sustainability dimensions and help them achieve their goals – in sustainability and for the business as a whole. Through appropriate property maintenance and needs-based cleaning, we reduce wear and tear and resource waste while at the same time creating a better work environment. We offer good food with health and the environment in mind. Together with start-ups and other players, we offer innovative solutions that save energy and reduce CO_2e emissions among other benefits.

We want to attract, hire and retain the best employees in the industry. With the right training and the right equipment, we create safe, secure and thriving workplaces. We are also an engine of integration that welcomes those who are far removed from the labour market into our context. The goal of all our efforts is to make Nordic workplaces more sustainable – businesswise, socially and environmentally.

WE SUPPORT
UN GLOBAL COMPACT

Coor joined the UN Global Compact in 2021 and has signed the initiative's Ten Principles for human rights, labour, environment and anti-corruption.

Sustainability is something that we have to work on together

Coor's overall goal is to deliver on our financial targets without compromising on respect for people and the environment. Maria Ekman, Head of Sustainability at Coor, sums up our sustainability journey in 2023.

Maria Ekman, Head of Sustainability at Coor.

What are you most proud of in respect of Coor's achievements in sustainability in 2023?
"I am very proud of our high level of ambition and that we are not compromising on our long-term targets, even though we are under more pressure from society than ever. It is much easier to operate sustainably during times that are not marked by political and economic instability. The fact that during a year of major global challenges we set the goal of reaching net zero emissions by 2040 says a lot about Coor as a company," says Maria Ekman, Head of Sustainability at Coor.

What were the standout developments in 2023?
"The year was marked by a continued increase in the number of sustainability regulations, which is something we welcome. Even though it puts more pressure on us as a company, we believe this is a positive development and see it as necessary because it makes it easier for investors, companies and consumers to make informed, sustainable choices," Maria Ekman explains.

Last year social sustainability was high on the agenda. Has that trend continued?
"Social sustainability is a core focus area for Coor and we can see that there is still a strong commitment from other companies and society at large. Coor's greatest contribution is that we provide work for people and offer good terms of employment and fair working conditions, but our commitment does not end there. Our business also creates jobs for people at our suppliers, and it is just as important to ensure that they enjoy good working conditions and pay in relation to the work they do. This is particularly important at a time when mental health problems and stress-related illness are on the rise," Maria Ekman says.

What challenges do you see going forward?
"Right now there is a strong focus on the general increase in costs and it is very likely that this will continue. At the same time, I can see that this is creating great potential to advance the transition that is required to meet the climate goals in the Paris Agreement. In food and beverages, for example, a higher proportion of vegetable ingredients could also prove lighter on the wallet as they are generally cheaper. We are also seeing growing demand for services that optimise our customers' energy use," Maria Ekman says, adding:

"Carbon footprint is still a core environmental sustainability issue and we are pleased to note that biodiversity is moving up the agenda. As biodiversity is essential to the functioning of ecosystems, we have initiated several activities that benefit our local flora and fauna."

Do you see any challenge that requires an innovative solution?
"If I were to point to a specific issue, I see a big challenge in how we use our existing buildings. How can we use our properties as efficiently as possible and not heat up spaces unnecessarily? These are issues that to some extent can be solved through innovations but which also require new ways of thinking and new behaviours. We are in a situation that requires radical changes, and the only way to achieve the necessary transition is through joint efforts. Sustainability is something that we have to work on together," Maria Ekman concludes.

Aiming for net zero emissions by 2040

In February, we set a goal of reaching net zero emissions by 2040, ten years earlier than required for signatories of the Science Based Targets initiative (SBTi). And in October, we became the first Swedish facility management company to have our plan validated by a third party.

"The fact that we have developed a strategy to reach net zero emissions ten years earlier than required by the standard and have had it validated by the SBTi shows that we have the right sustainability focus. This is one of the things we are doing to future-proof our company and maintain our market-leading position in facility management in the Nordics," says AnnaCarin Grandin, President and CEO of Coor.

Achieving net zero emissions is one of the most ambitious climate goals a business can set for itself. In order to reach net zero, we have identified three key focus areas: emissions from our own operations, a shift to more sustainable menus in our restaurants and a more circular flow.

"We are a company that likes change and have, among other initiatives, started to transition our vehicle fleet to electric vehicles, use electricity from non-fossil fuel sources and choose suppliers whose climate goals are as ambitious as ours. But the really big transition is still ahead of us and will require a major effort, not just from us but also from customers and suppliers and society as a whole. Everyone needs to do their bit if we are to meet the 1.5°C target," says AnnaCarin Grandin.

SCIENCE BASED TARGETS

To reach net zero emissions across the entire value chain, Coor needs to reduce its absolute Scope 1, 2 and 3 greenhouse gas emissions by 90 per cent from the base year 2018 by 2040. Any remaining emissions that cannot be reduced will be offset by activities that capture and store the equivalent amount of greenhouse gases from the atmosphere.

Coor's Carbon Insight shows where we can reduce our emissions

DSB is one of around 20 companies that tested Coor's Carbon Insight service during the year. Aske Mastrup Wieth-Knudsen, Head of Sustainability at DSB, says that the service is helping DSB to identify areas for improvement and prioritise measures.

Hanna Cedervall, Sustainability Manager at Coor.

Hanna Cedervall, Group Sustainability Manager at Coor, who helped develop Carbon Insight, describes it as follows:

"The customer receives a report containing climate data, including a breakdown of emissions by each service in our delivery. The service is helpful for the customers when they make their own climate impact assessments and also enables us to identify common focus areas that we can work on together."

Valuable insights on Scope 3 emissions

DSB has long been working to reduce its CO_2e emissions, and when the company signed up to the Science Based Targets initiative (SBTi), it began to place a stronger emphasis on emissions from suppliers, known as Scope 3 emissions.

"We have committed to science-based climate targets in line with the Paris Agreement, and Coor's service gives us valuable insights into our Scope 3 emissions, enabling us to identify areas for improvement and prioritise measures using concrete and detailed data. The data shows, for example, that more than half of our CO_2e emissions linked to Coor's delivery come from the food and beverages category, which means that we can target our efforts there to maximise the impact," Aske Mastrup Wieth-Knudsen says.

"This type of insight is necessary for us to be able to drive the change required to meet the 1.5°C target. To reduce emissions, we need to start by measuring them. We are one of the first Nordic companies to offer a climate impact assessment service, which is a type of service that is becoming increasingly important as legislation is tightened and more companies join the SBTi," Hanna Cedervall adds.

In addition to showing where the emissions come from, Carbon Insight also shows how they have been calculated based on the GHG Protocol. The service primarily shows activity-based data calculated on the basis of quantities such as kilograms and litres. Where this is not possible, the calculations are instead based on expenses for purchased volumes.

"We are constantly developing our services and our goal is to replace the current hybrid calculation model with a model that relies solely on activity-based data," Hanna Cedervall explains.

Aske Mastrup Wieth-Knudsen, Head of Sustainability at DSB.

Increased demand for detailed sustainability data

Aske Mastrup Wieth-Knudsen welcomes more activity-based climate impact assessments and would also like to see a system where emissions data is seamlessly integrated into invoices, for example. This, he believes, would provide real-time insights for more effective decision-making.

"For us, it is valuable to have a dialogue with DSB and other customers with ambitious climate goals. I am convinced that the use of climate impact assessments is set to snowball and that AI will have a role to play in producing reliable real-time data," Hanna Cedervall comments.

In addition to new technology expanding the boundaries for what we can measure and monitor, the agenda is being moved forward by increasingly strict legislation.

"The climate data required by our customers is often the same that we want from our suppliers. We have also noticed a growing interest among our end users and in society at large. The challenge is the same regardless of who you are, whatever company or industry you represent – that's why we need to make more of an effort to work together on these issues," Hanna Cedervall says. Aske Mastrup Wieth-Knudsen agrees:

"We are increasingly looking at how to set climate targets in new contracts. Companies that provide activity-based emissions data will become more competitive. This will be an essential parameter in the future," he concludes.

Carbon Insight

- Shows detailed carbon footprints for the specific services and products purchased by Coor's customers.
- The data is based on Coor's direct and indirect Scope 1–3 GHG emissions (see below). The data is broken down by customer and by purchase category in each service area.

How emissions are presented

- The GHG Protocol = a common standard for calculating emissions.
- Scope 1 = the company's own emissions
- Scope 2 = emissions from energy use
- Scope 3 = indirect emissions originating from the company's value chain, including suppliers, customers and use of products. Represents the broadest and most complex aspects of climate impacts, which need to be addressed to produce a comprehensive climate impact assessment.
- Activity-based data = quantitative measurements of activities that generate emissions, as opposed to template-based calculations.

Achieving sustainability through innovation

Innovation is in Coor's DNA and is a vital part of our business. Jenny Lindgren, Senior Vice President Operational Development and Digitalisation, and Linus Palmkvist, Vice President Service Development Property, talk about how innovation is helping to make us truly sustainable.

How does innovation promote sustainability?
"Working on innovation is part of our improvement work that adds value in our three sustainability dimensions. In addition to saving on costs and nature's resources, this may involve replacing heavy or unsafe tasks with drones or robots," Jenny Lindgren explains.

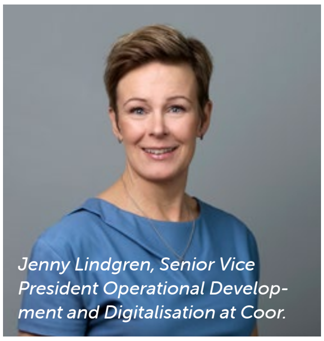
"Innovation can be a path to sustainability but it is never the whole solution. Through innovations, we can optimise maintenance and carry out tasks faster and in a smarter way. But to become truly sustainable, we also have to make sacrifices and change our eating habits, reduce consumption and recycle more," Linus Palmkvist adds.

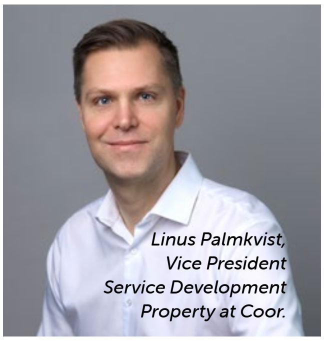
How does Coor work on innovation?
"Over a number of years, we have built strong partnerships with start-ups, customers and suppliers that are helping us to shape tomorrow's facility management. Innovation is in Coor's DNA and is a vital part of our business. It is also one of the reasons why I applied to work here. Here there is courage, inquisitiveness and a desire to develop sustainable services that benefit us as well as our customers and society as a whole," says Jenny Lindgren.

"In addition to a deep-rooted drive to develop, we have a strength in our knowledge of the industry and our collective expertise. We test all solutions and remove the ones that don't work before they reach the customer. It could be that the solution needs to be improved or isn't good enough or that the timing isn't right," Linus Palmkvist explains.

What were customers looking for in 2023?
"Like us, many customers want to reduce their carbon footprint. As buildings account for around 35 per cent of the world's energy use, many are interested in our SmartEnergy service, which reduces energy use in existing buildings by approximately 20 per cent for an average customer. A customer who also changes their lighting and introduces smart control systems can reduce their energy use even more," Linus Palmkvist says.

Which of Coor's services have the greatest potential to contribute to a more sustainable society?
"Several of our services, such as SmartEnergy, SmartLighting and SmartCharge, help companies to reduce their energy use,


Jenny Lindgren, Senior Vice President Operational Development and Digitalisation at Coor.


Linus Palmkvist, Vice President Service Development Property at Coor.

making them more sustainable. An important area for development is more efficient control of lighting, cooling, heating and ventilation systems. More and cheaper sensors enable a higher degree of monitoring as well as offering the potential to move towards predictive maintenance services. The supervision becomes more efficient and automated, enabling us to carry out the right maintenance at the right time and deliver more sustainable maintenance," Linus Palmkvist explains.

"In addition to the services Linus already mentioned, I would like to highlight Remote Support, where an expert is connected to a technician and gets help to troubleshoot and correct errors using augmented reality (AR), which is a combination of reality and computer generated content. This type of service, which allows experts to help more people in less time and to operate across larger geographical territories, is set to become more common," Jenny Lindgren says.

In which area is customer demand for smart services strongest?
"Lighting, or what we call Coor SmartLighting, is the area where we are seeing the strongest demand from customers. In September 2023, new EU legislation came into force that will start the process of phasing out all fluorescent tubes. We are helping our customers to replace all their lighting, which can reduce energy use for lighting by more than 90 per cent. The Coor SmartLighting service includes modern lighting systems where each light fixture is equipped with a sensor. The sensor detects presence and daylight and thus creates a more energy-efficient lighting system without compromising on quality. This has a big impact on total energy use and reduces our customers' carbon footprint while allowing Coor to use a more data-driven maintenance model," says Linus Palmkvist.

"An additional benefit is that Coor SmartLighting is good not only for the environment but also for the employees. Good lighting not only enables the employees to see better; they also work better and feel happier. By simulating daylight, SmartLighting can affect melatonin and cortisol levels in the body, which helps the employees to sleep better and feel better while also making them more productive and creative," Jenny Lindgren concludes.

Envirosense promotes the transition to greener workplaces

Offices perform an important function in a hybrid working model. This is shown by our own research as well as external research. As more employers adapt their offices to the new way of working, they also need to make their offices environmentally sustainable. Our new data-driven Envirosense concept has been designed to help our customers to manage this transition.

The transition to a greener workplace requires action in several areas, and as a provider of integrated facility management services we are in a unique position to be able to help our customers implement the necessary measures.

"Through Envirosense, we collect data and analyse the office's climate impact in the key areas office space, commuting, energy, food and beverages, circularity, waste and water. Based on the analyses, we then help our customers to prioritise actions, set goals and develop concrete measures to reduce their climate impact," says Oscar Stjernborg, Head of Coor Advisory.

We offer smart solutions that save energy and reduce water consumption, but a big part of our work involves changing the behaviour of the people who use the services.

"We need to devise measures which ensure that the options that are best for the climate are also the most attractive in the seven key areas we have identified, for example by offering charging points for cars, good bicycle storage facilities and other peripheral services so that more people will choose a non-fossil fuel means of commuting to and from work," says Fredrik Sandqvist, Head of Innovation at Coor.

Envirosense's seven key areas:

Office space – we use sensors to see what space is needed and how it can be used optimally

Commuting – we design services that inspire employees to choose non-fossil fuel modes of transport

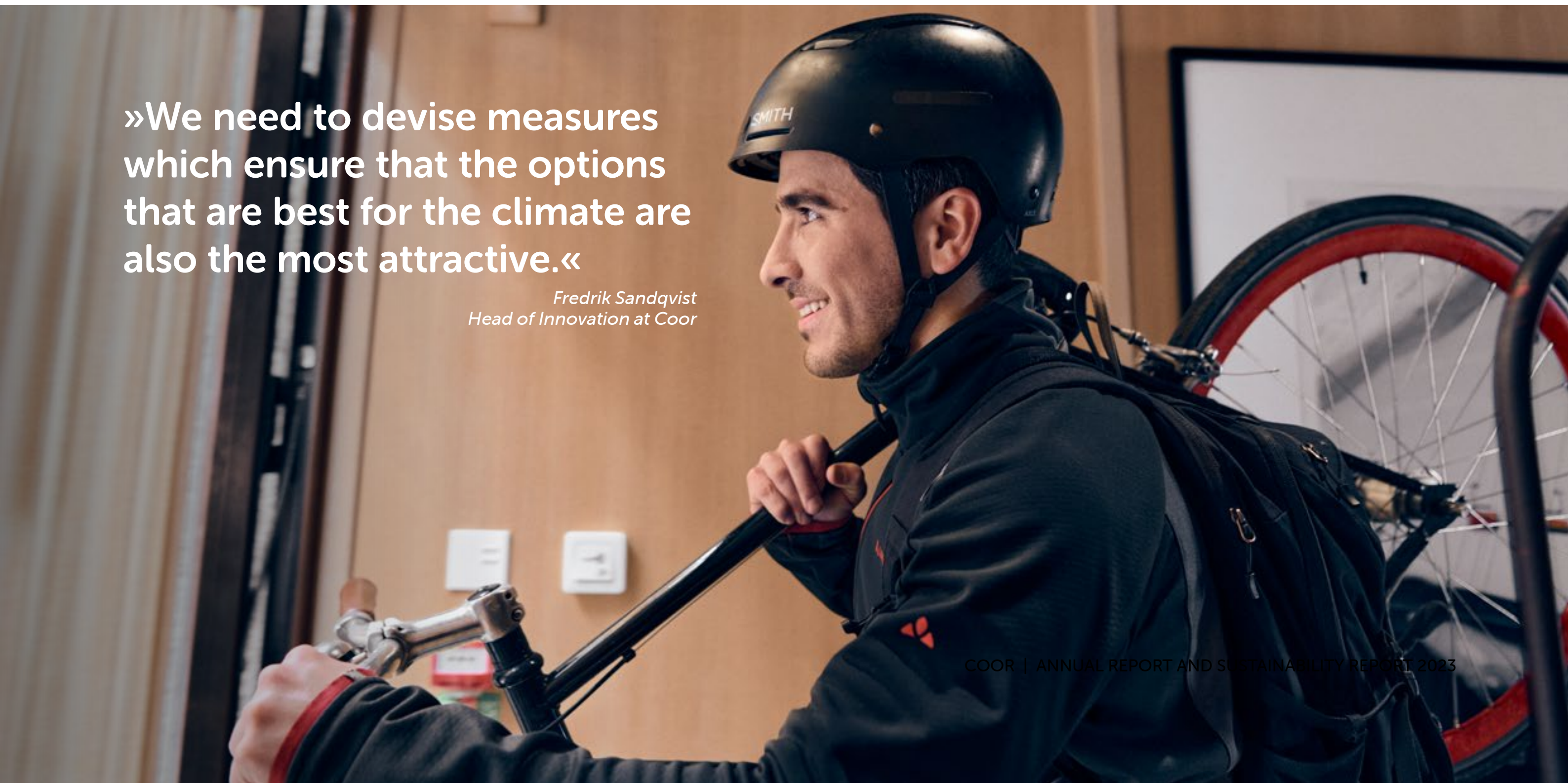
Energy – we offer services and solutions with smart control and more sustainable energy sources that reduce energy use

Food and beverages – we adapt our menus to include more sustainable options and try to make these the most attractive ones

Circularity – we strive to ensure that all our products, services and solutions have circular lifecycles

Waste management – we offer services for smarter and more flexible source separation to promote recycling and reduce transport

Water – we develop and offer services that reduce water consumption and the climate impact of water consumption



»We need to devise measures which ensure that the options that are best for the climate are also the most attractive.«

Fredrik Sandqvist
Head of Innovation at Coor

Sustainability initiatives of all sizes

At Coor, sustainability inspires everything we do, whether it's keeping bees on the roof of one of our offices or hiring employees who were previously far removed from the labour market. Here are some examples of sustainability initiatives from 2023.

Helpful bees

13 CLIMATE ACTION

Coor's Norwegian head office in Lysaker on the outskirts of Oslo has an apiary with two beehives on the roof. During the summer season, the bees produce up to 40 kg of honey, which is used in preparing food in the staff canteen and given as gifts to customers and employees. The project is run in collaboration with Bieffekten, a company that provides bees and organises all the practical aspects of keeping bees.

Supporting mental health at work

Coor in Finland supports its employees' mental well-being through a collaboration with the therapy service Auntie. The support is packaged for various situations that may arise in the employees' daily lives, such as challenges at work and stress. Each package consists of five 45-minute online sessions with a psychologist. The service is confidential and supplements the company's regular occupational health services.

Laura is a Coor employee in Finland who has tried the service.

"I think Coor is doing the right thing investing in mental health. I also appreciate that Auntie has a wide selection of packages and that the service is available in many different languages."

Recycled nets turned into sustainable mats

At many Nordic industrial sites, preventing or minimising dirt from entering the premises is a challenge. It is common to use disposable plastic shoe covers to prevent dirt from being dragged into the buildings.

Coor's customer Equinor wanted to reduce the use of single-use plastics. Together with Coor's cleaning experts, Equinor tested an entrance solution with fixed mats made from recycled fishing nets that absorb dirt, thus preventing it from spreading further into the building.

The use of shoe covers was completely eliminated at one of Equinor's sites, cut by 92–96 per cent at another three sites and halved at a fourth.

In addition to reducing the use of plastic, the mats have helped Equinor to further reduce its CO_2e emissions as the mats only need to be vacuumed, unlike traditional entrance mats, which need to be transported by road for cleaning.

A place for you and your car to recharge

In collaboration with Clever, Coor has developed a sustainable café concept for Clever's charging stations in Denmark. The vision is to offer a social and green meeting place at manned and unmanned charging stations with cafés that will be run by Coor.

The cafés will offer the organic coffee Slow Coffee as well as a selection of meals produced from ingredients sourced from local suppliers. The contract begins in August 2024, when the café at the first charging station will open. The plan is for Coor to operate cafés at both manned and unmanned stations. Clever has Denmark's largest charging network with more than 30,000 charging points across the country.

Helping to improve the lives of children

At the cloakrooms run by Coor at Stockholm's arenas (Tele2 Arena, Hovet and Avicii Arena), one krona for every jacket handed in goes to the charity Min Stora Dag, which creates joyful experiences for children suffering from or diagnosed with serious illnesses. Coor also manages the cloakroom at Friends Arena, where the money goes to the Friends Foundation, which works to stop bullying. We are proud to be able to help improve the lives of children who are suffering in various ways.

Training in language mentorship

At Coor in Norway, 17 managers have completed in a training course in language mentorship. A language mentor is a colleague who helps their co-workers to communicate better and improve their skills in the local language. The focus is on everyday language and words used at work. The goal is to improve the language skills of Coor's non-Norwegian employees and promote effective communication in the teams.

Coor named Commercial Kitchen of the Year

In 2023, Coor in Norway won the Matprisen sustainability award in the Commercial Kitchen of the Year category. Coor was given the award for its strong sustainability performance in respect of choice of ingredients and reduction of food waste. The jury also highlighted Coor's efforts to clearly communicate the connection between food and climate to its diners.

Marianne Hayes Antonsen, Business Developer Sustainability, and Helle Christensen, Head of the Centre of Excellence Food & Beverage, accepted the award.

Marianne Hayes Antonsen (left) and Helle Christensen (right) receive the award.

Fredrik Sandqvist (left), Head of Innovation, and Mattias Wahlgren (right), Innovation Manager, at Coor receive the award.

Coor and Mimbly awarded

Together with Mimbly, Coor has been named Ignite Sustainability Heroes by Ignite Sweden. In the words of the jury:

"Coor and Mimbly are recognised for their determined efforts to reduce water and energy consumption while also preventing microplastics from ending up in the sewage system. Following their first successful pilot project, the partnership has now been rolled out Nordic-wide. This partnership highlights the critical role played by companies that work together to create sustainable solutions."

Fredrik Sandqvist, Head of Innovation at Coor, and Mattias Wahlgren, Innovation Manager at Coor, received the award at the Ignite Sweden Summit.

Record in Nordic Swan Ecolabelled restaurants

In Denmark, FOOD by Coor had 25 staff restaurants Nordic Swan Ecolabelled in one go. This means that FOOD by Coor in Denmark is responsible for 32 of the total of 47 staff restaurants in the country that are Nordic Swan Ecolabelled. Both the number of simultaneous labels and the number of Nordic Swan Ecolabelled staff restaurants in total is a Nordic record. The criterias for the certification are many. The restaurant, for example, must document that at least 30 per cent of the ingredients are organic, that they take a systematic approach to reducing food waste and sourcing local ingredients, and that they do not use disposable packaging. In addition, all chemicals must be Nordic Swan Ecolabelled and dosed correctly, and at least one hot vegetarian dish must be served every day.

Using AI to reduce food waste in Norway

Coor in Norway is using AI to create more sustainable and healthy meals in its staff canteens, based on the ingredients that are available in the restaurant, thus reducing food waste. According to the UN, a third of all food produced in the world is never eaten because it is spoiled or thrown away.

"AI technology has enabled us to create meals based on available ingredients. It not only saves valuable time and resources, but also helps us to find creative and innovative ways to use leftover ingredients to create amazing culinary experiences," says Helle Christensen, Head of Centre of Excellence, Food & Beverage at Coor in Norway.

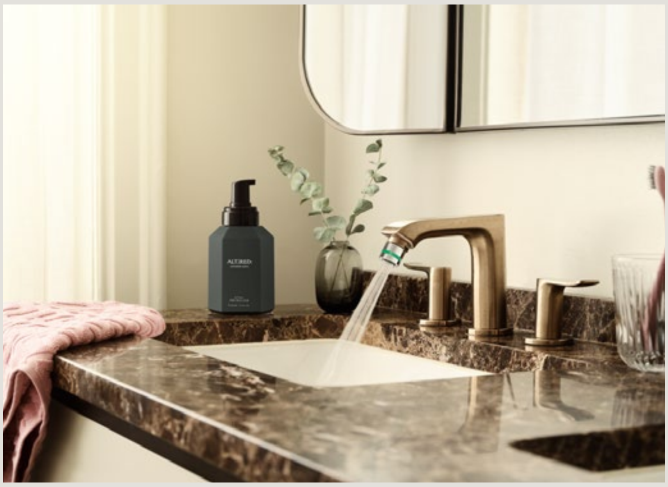
The best tradition of the year!

Once a year, one of the entrances to the Karolinska University Hospital in Solna is transformed into Santa's workshop as Coor invites the hospital's youngest patients to come and eat cakes, play lucky dip and receive Christmas presents. Together with the chefs, the children decorate gingerbread cookies, and the logistics staff are on hand to help those who want to test drive the robot sleigh!

Not all children have the strength or the opportunity to come down to the entrance hall, so after the gathering Santa packs up his presents and cakes and heads off to the children's wards. As Santa and the robot sleigh turn into the corridor, expectant children often stand waiting outside their rooms.

Save energy and costs with SmartWater

Coor has launched the new solution SmartWater powered by Altered, a nozzle for taps that saves a lot of water. Heating water in workplaces and public places consumes a lot of energy and only a small portion of the water that leaves the tap is actually used. To minimise energy consumption and keep costs down, Coor has launched SmartWater powered by Altered. The solution is a special nozzle that reduces the amount of water used while increasing the water pressure so that soap can be rinsed off effectively when you wash your hands, for example. By changing the nozzle, the water used with a traditional wash-basin mixer can be reduced by over 80 per cent.



The path to a permanent job

Coor's contract with Fredensborg Municipality in Denmark includes a clause requiring that Coor provide employment to unemployed residents of the municipality as far as possible. The contract covers cleaning of the municipality's schools, kindergartens and other municipal premises. The collaboration between Coor and Fredensborg Municipality has, for example, led to Zahra Sleiman from Lebanon getting her first job, after 25 years in Denmark. She had been applying for jobs through the Danish authorities for many years, but was only awarded internships. That changed when Fredensborg Municipality offered her an internship as a cleaning assistant with Coor in 2021. Through hard work, her internship turned into a permanent job. Zahra Sleiman describes her joy at finding a new job:

"I am really happy to finally have a permanent job and to be able to earn my own money."

We promote biodiversity

Biodiversity is the foundation of life on our planet. It also improves resilience to extreme weather, creates a cleaner environment, improves air and water quality, and promotes human well-being. Biodiversity is threatened and we want to do what we can to help restore it. We do this, for example, by growing local plants, letting lawns turn into meadows or using composted plant material instead of new soil.

"Small changes can make a big difference. By replacing the ornamental plants with local species, we can benefit ten animal species. If we rewild a larger area, we can benefit over 300 animal and plant species while also creating a cooling effect in hot weather and reducing the risk of flooding," explains Carl Hägglund, Operations Manager for Outdoor Environments at Coor in Sweden.

One of Coor's ongoing projects to promote biodiversity is being carried out at Alleima in Sandviken, Sweden. The solution includes a habitat pile, cultivation of insect-friendly plants and mulching (a covering spread over the ground) with existing plant material.

A rich and varied ecosystem helps to improve climate resilience by preserving natural balances and functions.

Meet our employees

For Coor, people are what matter most. We would be nothing without our motivated and competent employees supporting our customers' needs. At Coor, it's the employees that make the difference.

Coor's guiding principles – our common values

Coor's corporate culture is built on the company's values – its guiding principles. The three guiding principles provide a framework for the daily activities of all employees.

We see further
Seeing further means paying attention and knowing how to prioritise. We must stay one step ahead in order to solve problems before they actually arise. It's necessary to think carefully in advance.

We listen
Being responsive is all about openness and communication. We must be open to views and ideas on how we can develop or improve ourselves and our work methods.

We create success
Generating success is about drive and the desire to improve. Quite simply, we get things done. We are creative and find solutions that are smarter and more economical – for us and our customers. Thus, we both benefit.

Enriching diversity

Respect for the equal value and rights of all people is fundamental to Coor. We are convinced that a diversity of personalities, experiences and knowledge is enriching and that each employee should be treated respectfully and fairly regardless of gender, background or identity. At Coor, everyone should feel that they can be themselves.

Employees with a strong drive

Coor's employees have a strong drive to continually improve our service delivery to the customer. To leverage the full potential of our employees, it is essential that everyone knows that they are seen, that they matter and that they make a difference for Coor. We refer to our efforts to build employee engagement as Passion for People. During the year, we carried out several activities to strengthen employee engagement and participation. Among other activities, a large number of employees have participated in the "We Are Coor" workplace meetings, where the focus during 2023 was on well-being.

Diversity makes Coor a better company

For us, diversity is much more than just a word in a governing document. Among our employees we see a great ethnic and cultural diversity, which we are very proud of. Coor's ambition is that its employees should reflect both its customers and society as a whole. We see diversity as enriching – with more perspectives we become better, more profitable and more responsive. The fact that Coor's employees come from different backgrounds is a great asset; it increases our creativity and innovative power.

The FM industry is in a better position than many others to employ those who are currently outside the labour market. A job is so much more than just a workplace; it provides a context and a community. Coor has an inclusive culture – all our nearly 13,000 employees should feel that they can be themselves and that they will be respected for who they are. Coor equips and helps its employees to enter society in various ways, for example through internal language courses or training programmes. Diversity management is also important for Coor's brand as an employer, for current as well as potential employees. People want to work for a company where they can be proud of the culture.

During the year, Coor produced a Diversity and Inclusion Policy.

"The purpose of this policy is to ensure that diversity and inclusion continue to be a natural part of our culture – every day. The policy is intended to be used as a tool and guide for our employees and managers in their day-to-day work," Helena Söderberg, Coor's HR Director, comments.

The Diversity and Inclusion Policy is an underlying policy for Coor's Code of Conduct and ensures that our operations are conducted in accordance with our ambitions, relevant legislation and good practice for listed companies.

Satisfied employees build a stronger Coor

Each year, Coor carries out a comprehensive employee survey with the help of an external research firm. The survey, which was conducted in the second quarter in 23 languages, gives the employees an opportunity to anonymously provide feedback on what it is like to work at Coor. We are very proud that we managed to both grow and integrate many new employees during the year while maintaining high scores across all index areas. This year, we used AI for the first time to analyse the survey's free-text responses with a view to further leveraging the results.

The results of the survey are important for our efforts to become an even more attractive employer. The 2023 survey was answered by 77 (79) per cent of employees and once again resulted in a high employee motivation score (Employee Motivation Index) of 76 (76).

Coor also measures employee engagement through an Engagement Index, which provides important guidance for the evaluation of the company's People Engagement activities. This year, our index score was 79 (78), which is a high figure. Our Leadership Index score remained stable at 79 (79).

Coor is an organisation with great diversity in many dimensions. We also measure inclusion through an Inclusion Index, which gauges our success in ensuring that all employees feel included and that we make use of their particular skills and experience. Our index score in 2023 was a high 81 (81).

We also measure our Employee Net Promoter Score (eNPS), which remains at a high level of +25 (+29). eNPS measures how likely it is that employees will recommend Coor as an employer. From a benchmarking perspective, values above 0 are considered good. A strong eNPS means that employees are more likely to recommend their employer as a good place to work.

Coor Awards

The Coor Awards is a Group-wide event that takes place annually. The aim is to showcase and award employees who have made significant contributions during the year based on Coor's values. Anyone can nominate and be nominated. This year's edition of the Coor Awards generated an incredible 1,420 nominations – a 16 per cent increase on 2022 and a new record. This means that nearly 10 per cent of Coor's employees were nominated for one of the awards.

The various categories at the Coor Awards

Employee of the Year is an award for a true Coor hero, someone who lives by our guiding principles. The Employee of the Year delivers excellent service and improvements, has a joyful spirit and is always ready to help customers and colleagues. He or she knows how to inspire others and has also done something that goes beyond what is expected from the role.

Improvement of the Year is an award that promotes and recognises big and small contributions that lead us to develop and launch innovative solutions. Solutions that provide concrete added value for us and our customers.

Sale of the Year is an award that promotes and highlights successful sales for all employees who have been involved in an initiative that resulted in increased sales.

The Leader of the Year is a good ambassador for Coor and a role model who lives up to our guiding principles. A person who is open to new ideas and has a good dialogue with customers and employees, understands complex situations, tries to find new ways of doing things and sets the right priorities.

The Environmental Hero of the Year is a person who has made an environmental contribution that has been implemented or has the potential to be implemented. They must have either helped our customers achieve their environmental goals or done something to reduce Coor's environmental impact.

The Guardian Angel of the Year is a role model for Coor's ambitions in health and safety and works actively to develop a safe working environment.

The winners of this year's Coor Awards together with AnnaCarin Grandin, Coor's President and CEO, at the awards ceremony.

Kristina Johansen
Lives in: Bergen, Norway
Age: 43
Job: Head of HSEQ.

Returning employee Kristina missed the sense of camaraderie

Kristina Johansen wanted to try out working for a new employer, but she always had a yearning to return to Coor in Norway.
"There is a genuine concern for people here," she says.

Kristina Johansen had got off to a flying start at Coor. As a business developer, she was involved in developing a gamification tool to digitise Coor's internal training programmes on the Code of Conduct. Then came COVID-19 and much of Kristina's work was put on hold as employees were furloughed.

"As my role was quite new, I felt a bit uncertain about what this would mean going forward. I started looking at what jobs were available, and after working at Coor for a year and a half I left the company with a heavy heart," Kristina Johansen says.

She ended up at another good workplace, but missed her previous employer.
"I missed the people, the working environment, the customers. Coor is a very good company to work for. There is an openness here, people listen to you and it is possible to change things. Things also move a bit faster here than in many other places."

Then, after another year and a half at her new job, she received a call from one of her former colleagues.

"It's a different role from the one I had, but my colleagues and the department are the same." Getting back into the swing of things was very easy.

There were a few things in particular that made her choose to come back.
"Flexibility, freedom with responsibility and the ability to influence things are important to me. At Coor, everyone has their own responsibility but you also have many good colleagues you can ask if you are unsure about something."

Necmiye Göcer
Lives in: Stockholm, Sweden
Age: 47
Job: Group leader in cleaning.

Put your heart into it!

"It was all very new and a little scary." That is how Necmiye Göcer describes her first few weeks as a cleaner at the Karolinska University Hospital in Solna. With drive and with support from her colleagues, she quickly got into the role. Today, she is a group leader in cleaning and now she is the one who coaches new members of the team.

In December 2020, Necmiye Göcer started working as an hourly cleaner under Coor's contract with the Karolinska University Hospital in Solna. Her former employer had lost a contract, and Necmiye was dismissed from the cleaning job she had had for 21 years.

"I had worked as a cleaner for many years, but never at a hospital. There was a lot that was new and it was a bit scary. I wasn't used to working close to patients, but you get used to it after a while."

All new Coor employees at the Karolinska University Hospital take part in an introduction and training programme that covers everything they need to know when working in a hospital. Before they start working independently, the cleaners also work with a mentor for two weeks.

Necmiye quickly got into the role, and as an hourly employee she worked whenever there was a need and thus got to try different types of cleaning. A year later a group leader position became vacant. Necmiye was keen to get a permanent job and to continue to grow and develop, so she applied for the role and was pleasantly surprised when she got the job.

"Initially I wasn't quite sure whether I would be able to cope with the new tasks. I wasn't used to admin work or to having so much contact with customers and staff. But I learned quickly."

Necmiye's group has two group leaders who together manage around 40 people. Together with the group manager, they plan the daily work and engage in dialogue with the customer's contact persons. They also help to introduce and coach employees.

"You need to be available and to go with them to the department and show them what to do, rather than just tell them. I usually tell them to think that it could be one of their family lying there and to really put their heart into it," she says, adding:

"My colleagues often come to me with questions or when they need to talk. We are like a family."

Necmiye is responsible for cleaning in the surgery departments, which have stringent hygiene and PPE requirements. The hospital performs operations round the clock and the cleaners are there to help ensure that the hospital staff are able to carry out their life-saving work.

"We have a good working relationship with the hospital staff and a strong sense of togetherness. The group that works in surgery is a lovely team of positive people and many have been here for a long time. We are proud of our work."

What is the best thing about your job?

"The fact that we are doing something important and become part of the patients' lives. As cleaners, we interact with many patients over a long period of time and sometimes chat with them when we are cleaning their rooms. Another thing is that I learn new things all the time. I didn't imagine I would develop this much. Take computers, for example. To start with I was only able to order goods, but now I draw up schedules, administer payrolls and do everything myself. I have become stronger and now dare to do more things."

Christian Reimers
Lives in: Everdrup, Denmark
Age: 44
Job: Handyman at GN.

Christian personifies passion for service

Christian Reimers, a handyman at GN in Ballerup, Denmark, was named Employee of the Year 2023 at the Coor Awards. His warm personality, helpful attitude and the fact that he epitomises "passion for service" made him a clear winner.

Christian Reimers started at Coor in 2020 and works as a handyman at GN in Ballerup, Denmark. He is liked by customers and colleagues, who say that he always takes time to offer a word of support and a helping hand, even on stressful days when there is a lot going on.

"I try to have a positive attitude and my goal is to find solutions based on the customer's wishes while also ensuring that my colleagues are happy. Having fun at work helps too; we joke and laugh a lot in our team."

One example of Christian's solution-focused attitude is when he stepped in as a receptionist for a few days in the spring, when there was a shortage of staff due to illness. His help was appreciated by customers and colleagues alike and Christian wouldn't hesitate to try another role in the future if necessary.

Whether he is doing skilled manual work or manning the reception desk, he has a simple recipe for good service:

"I always try to exceed the customer's expectations. It might sound cliché but it gives me so much joy when I see that the customers are happy."

Suvi Ukkonen

Lives in: Helsinki, Finland
Age: 24
Job: Cleaner for a major customer in the Helsinki area.

I was so happy to get a job

After several years of unemployment, Suvi Ukkonen got her first job at Coor. And Coor got a happy and plucky cleaner who is a quick learner.

Suvi Ukkonen found her way to Coor through a joint initiative with the City of Helsinki aimed at helping people with disabilities to find employment. When Coor was looking for a positive and outgoing cleaner for a customer in Helsinki in spring 2023, Suvi's professional coach suggested her for the job. The coach was there to provide guidance in the beginning, but now Suvi can do the job without assistance.

The large building where Suvi cleans contains several restaurants, meeting rooms, training facilities, office space and even a museum that tells the story of the company's history. Suvi's work includes cleaning and watering flowers, every weekday from seven to noon.

Everything is the best thing about the job

"I love everything about my job! The very best thing are my colleagues and I enjoy cleaning," says Suvi.

This is her very first job and she felt nervous at first. Getting up early was also a concern as the shift starts at seven every weekday, but now she is used to it.

"I was unemployed for a long time and was so happy to get a job," says Suvi enthusiastically.

"In the beginning it was difficult to wake up early, but luckily I am always happy when I wake up," she continues.

Suvi receives praise from her boss for her ability to learn and for how quickly she has integrated into the team. She quickly learned to find her way around the labyrinthine building and is quick to learn new methods of cleaning. Suvi's team includes employees from many cultures and she enjoys having a chat with her colleagues in the morning when they tell her about their home countries, and sometimes offer her exotic snacks from countries like the Philippines and Nigeria.

In her free time Suvi looks after her canary, goes for walks and in the summer she plays golf. Recently, inspired by her sister, she also became interested in collecting Marimekko bowls.

"I don't think I have any big dreams for the future. I dream of remaining in this job for a long time and maybe getting another canary one day," says Suvi.

Coor is the customers' partner

Everything we do at Coor is with our customers' best interest in mind, says Jens Ebbe Rasmussen, Senior Vice President Business Development & Sales, as he sums up the year. On the following pages you can read about some of our activities in 2023: how we provided technical maintenance for the 16-kilometre Öresund Bridge, worked with ATP Ejendomme to develop a sustainable office environment with an attractive service offering, implemented a pilot project with data-driven cleaning and sensor technology at Equinor and handled the cleaning of Finland's largest shopping centre, Jumbo-Flamingo.

Three questions to Jens Ebbe Rasmussen, Senior Vice President Business Development & Sales at Coor.

How was the year growth-wise?
"New sales in 2023 were very strong. The year was the third best in Coor's history."

What has made Coor so successful?
"Our success is based on Coor's ability to be our customers' partner and help develop solutions, whether by providing service expertise, innovations or transformation project management. This year was marked by success across all segments: large and complex first-time IFM outsourcing contracts, structured procurements in IFM as well as single services, and proactive sales to smaller customers."

What activities has Coor implemented to support growth?
"Coor was a pioneer in offering IFM in the Nordics and has historically been awarded the majority of large first-time outsourcing contracts. We have managed to maintain that expertise by continuously investing in business development capabilities. This investment has served us well, as we today have very strong project managers in traditional RFP processes. Furthermore, we have managed to strengthen our ability to proactively sell to smaller customers. We have built sales capacity in new geographies and also managed to reap sales synergies, in this segment, through the acquisitions we have made in recent years. Finally, I would like to highlight the major investments we are currently making in innovation. Innovations solve our customers' needs or challenges in new, better and more value-creating ways. Offering services with such characteristics, to me, is less of selling and more of being the customers partner."

Sensors improve our understanding of how buildings are used

Data-driven cleaning is an important focus area for Coor. At one of Equinor's offices, Coor has recently completed a pilot project where sensors from Disruptive Technologies communicate with the CleanPilot digital tool and Coor's digital cleaning plans.

The aim of the project was to investigate how different spaces in the buildings are used and then adapt the cleaning accordingly. Normally, cleaning is done based on an agreed frequency regardless of whether a particular room has been used or not.

Sensors measure the use of meeting rooms
Disruptive Technologies offers a solution where a "connector" is installed in the building. An almost unlimited number of sensors can be connected to the connector, which in turn is integrated with software. In the pilot project at Equinor, sensors were used to measure how frequently meeting rooms and toilets are used. The sensors are either touch panels, or small devices the size of a postage stamp that register door-open activity, or motion sensors.

In addition to challenging the way the cleaning is organised, the project has made Coor and the customer more aware of the opportunities created by sensors when it comes to understanding how buildings are used. In cleaning, this means, for example, that if you have data showing that a room has not been used there is no need to clean it. This is naturally positive from the customer's perspective as it allows the cleaners to spend their time on more value-creating tasks. It also has a positive knock-on effect on the employees' motivation and work environment as their day-to-day tasks become more meaningful and less routine-based.

Using data helps Coor to develop premises for new ways of working
Sensor data can also help us to rethink how we use spaces in a building. In many cases, for example, the need for large meeting rooms has decreased in recent years. These rooms are instead used for activities such as Teams meetings and phone calls. Smaller booths could be introduced for these types of activities instead.

How we move forward with sensor technology at Equinor will be decided in the near future, and there are many exciting facts and good results to consider.

»We see data as an important driving force for optimising quality and driving a truly sustainable cleaning delivery.«

Håkan Nilsson,
VP Service Development Cleaning, Coor.

This is the future of cleaning. Nicoletta Petre and Monika Kissova from Coor participated in the pilot project and are very satisfied with the results.

About Equinor

Equinor is an international energy company committed to long-term value creation in a low-carbon future. Equinor has a project portfolio that includes oil and gas, renewable energy and low-carbon solutions and is aiming to become a net-zero energy company by 2050. The company is headquartered in Stavanger in Norway and is the leading operator on the Norwegian continental shelf. Equinor has offices in 30 countries worldwide.

A sixteen kilometre long-term collaboration

The Öresund Bridge has been designed to stand for 200 years, which will require rational and efficient maintenance. Since May 2022, Coor has been responsible for technical maintenance along the entire length of the link.

What is colloquially known as the Öresund Bridge consists of a bridge, an artificial island and a tunnel, and the entire link is 16 kilometres long. The combined road and rail link was completed in 2000. Some seven million vehicles use the link each year, of which approximately 90 per cent are passenger cars.

The link is owned by Øresundsbro Konsortiet, which is responsible for operation and maintenance. The consortium is in turn owned in equal parts by the Swedish and Danish states.

“The Öresund Bridge has been designed to stand for 200 years. The worst that can happen is that we are not rational in our maintenance work. This will require a high standard of service from our supplier – we want the maintenance to be so rational and efficient that the need for maintenance does not increase with the age of the link,” says Bengt Hergart, Facilities Director at the Öresund Bridge.

Since 1 May 2022, Coor has been responsible for technical maintenance along the road section of the Öresund link. This includes surveillance systems, fans, signage, road barriers and lighting – some 40,000 pieces of equipment – of which Coor is responsible for just over half. In collaboration with Øresundsbro Konsortiet, Coor is developing a data-driven maintenance system.

“Of our 40,000 pieces of equipment, we want 10,000 to be data-driven by 2025. Currently it is about 4,250, and the vast majority have become data-driven thanks to Coor,” says Bengt Hergart.

Data-driven maintenance means that the maintenance is needs-based rather than frequency-based. Instead of carrying out calendar-based maintenance, sensors along the link signal when action is required.

“Remote monitoring and taking action only when it is really necessary is more efficient than going out and doing maintenance once a month,” says Bengt Hergart.

Rational maintenance includes analytical troubleshooting. Instead of simply repairing an error, an analysis of why the error occurred and how new errors can be prevented is required.

A fundamental requirement from Øresundsbro Konsortiet is that the maintenance work be developed continuously, without reducing accessibility or jeopardising safety. Data-driven maintenance is one example of development. New methods for the practical implementation of maintenance is another.

"It is not difficult to find a partner who can carry out maintenance, but we wanted to find someone who also had the will and ability to develop," says Bengt Hergart.

And that's where Coor enters the picture. Øresundsbro Konsortiet and Coor have entered into a partnership agreement where the emphasis is on development, as well as on joint profits. Bengt Hergart explains that the partnership is based on four key principles: fairness and reciprocity, loyalty, independence and equality, and honesty and transparency.

"We do not micro-regulate the work, but trust each other in our joint efforts to achieve common goals.

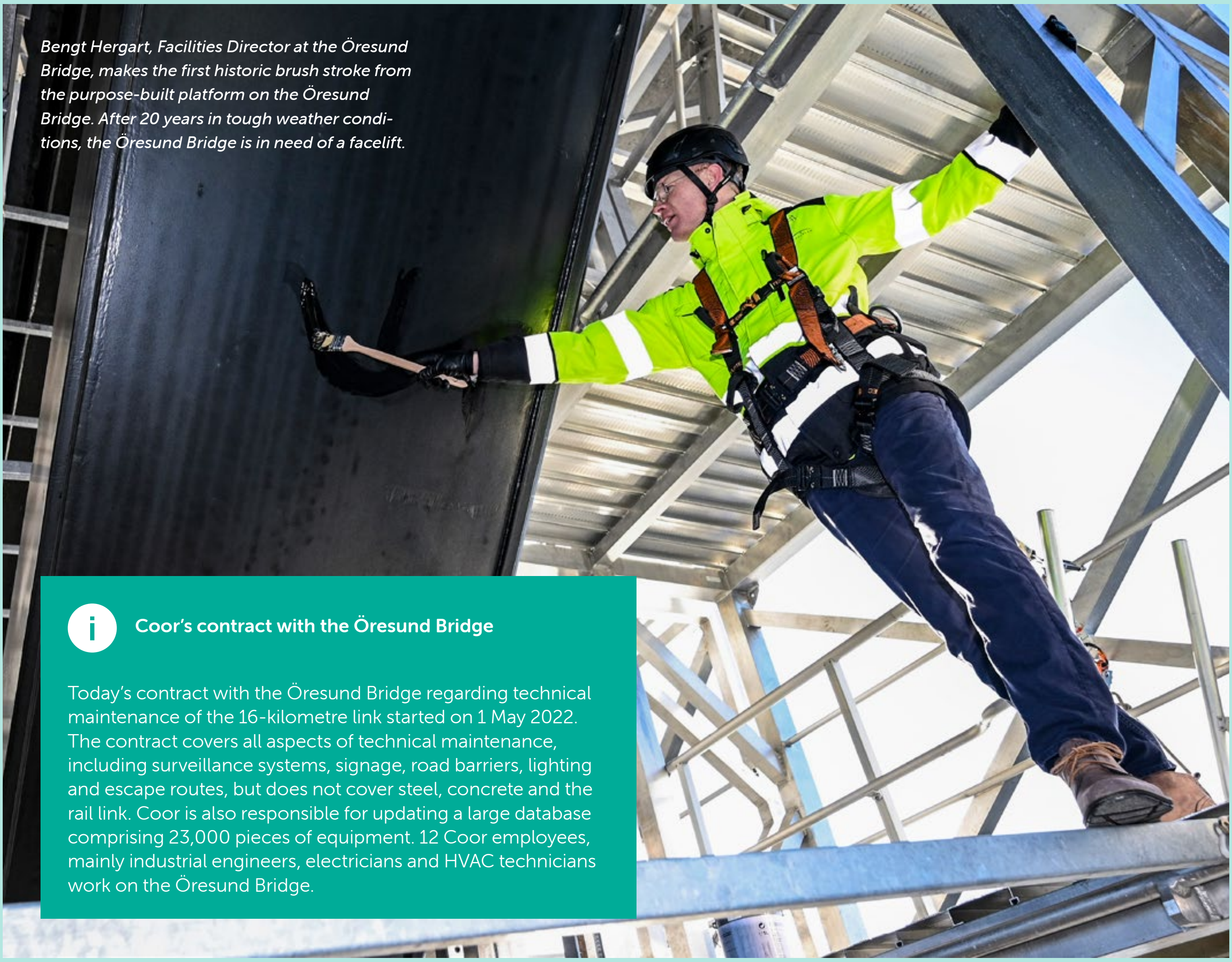
Simply put, the compensation model is based on a joint budget where Coor, in return for a low hourly cost, is guaranteed a minimum profit mark-up that may be increased if the common goals are reached. In addition, if costs are below budget the partners will share the profit.

"There is full transparency on our costs. If we do what we have to do and deliver with quality, we get a margin. The agreement means that we plan maintenance, quality-assure and develop the solutions jointly. And that means that we can take a long-term approach in our business and dare to invest," says Erik Bustad, Contract Manager at Coor.

Bengt Hergart believes the partnership agreement has brought out the best expertise at Coor.

"We have shown that we have a long-term approach, are development-oriented and emphasise collaboration. Coor, for its part, has shown that the company has the skills required to drive development. Together, we have created a good and development-oriented collaborative environment. It is proving very effective," he says.

"The bridge has been designed to stand for 200 years and we need to help ensure that it does. We are striving for a future-proof and sustainable delivery," says Erik Bustad.



Bengt Hergart, Facilities Director at the Öresund Bridge, makes the first historic brush stroke from the purpose-built platform on the Öresund Bridge. After 20 years in tough weather conditions, the Öresund Bridge is in need of a facelift.

Coor's contract with the Öresund Bridge

Today's contract with the Öresund Bridge regarding technical maintenance of the 16-kilometre link started on 1 May 2022. The contract covers all aspects of technical maintenance, including surveillance systems, signage, road barriers, lighting and escape routes, but does not cover steel, concrete and the rail link. Coor is also responsible for updating a large database comprising 23,000 pieces of equipment. 12 Coor employees, mainly industrial engineers, electricians and HVAC technicians work on the Öresund Bridge.

Star-class service in a world-class shopping centre

Jumbo-Flamingo is Finland's largest shopping centre in terms of sales and attracts close to 12 million visitors annually. Coor's goal is to ensure that its cleaning services meet the expectations of the shopping centre's tenants and visitors.

Located on the outskirts of Helsinki, Jumbo-Flamingo is home to around 170 shops as well as a spa, hotel, cinema, two superstores, cafés and restaurants. The property services are handled by a team of around 50 people, consisting of employees from different companies. As Head of Property Services, Erno Kosonen is responsible for coordinating the services and ensuring the quality and functionality of Coor's property services.

"All tenants and visitors have their own expectations and wishes for how things should be at Jumbo-Flamingo, and we strive to meet them all in the best way possible," Erno Kosonen says.

The large number of visitors to the shopping centre also places special demands on Coor, which handles the cleaning at Jumbo-Flamingo. It obviously gets dirty faster when there are many visitors, who also expect it to be clean and tidy at all times.

On the outdoor surfaces, gravel, salt and sand are used to prevent slipping but can pose a risk to visitors when it is dragged into the shopping centre.

"Dirt is not only an aesthetic issue but often poses a safety risk indoors because visitors can slip and fall," Coor's group manager Gerli Feldman points out.

Finland's most sustainable shopping centre

Jumbo-Flamingo strives to be Finland's most sustainable shopping centre, in terms of both environmental and social sustainability. Sustainability is integrated into the operations in several ways. In cleaning, ozone water is often used, for example in the play areas, where ozone water cleaning has proven to be an effective and safe method.

Coor's cleaners have a cleaning robot to assist them with the heaviest tasks.

"Vacuuming is a tiring task for the cleaners, causing strain especially to the hands and back. The cleaning robot handles the heaviest tasks for keeping the floor areas clean, which also improves the ergonomics for our employees," Gerli Feldman says.

Development to meet expectations

In order to meet the expectations of those who use the premises, Coor is continually developing its services. The employees are passionate about developing the service provided and Coor's FM services at the shopping centre. Improvements that originated with Coor's cleaners include the testing of fixed floor mats in places where regular mats do not stay in place. Another improvement is the introduction of a new type of hand towel dispenser with higher-quality towels, improved dispensing performance and a larger container with a greater towel capacity.

"For me, it is important to listen to all suggestions for improvements, even if we can't implement them all. The cleaners are experts in their field, and the best results are achieved when enough time is set aside to consider all proposals," Erno Kosonen concludes.

Cleaning a shopping centre is challenging as the large number of visitors means that dirt builds up quickly and it is difficult for the cleaners to be everywhere, all the time. The ambitions are high as are the expectations. Coor's customer is satisfied and notes that Jumbo-Flamingo is a clean centre.

i About Jumbo-Flamingo

Jumbo-Flamingo is Finland's largest shopping centre in terms of sales and attracts almost 12 million visitors annually. The shopping centre has around 170 shops as well as a spa, hotel, cinema, two superstores and a number of cafés and restaurants. Coor has been responsible for cleaning Flamingo's common areas since its opening in 2008 and for cleaning in Jumbo since 1 February 2023.

Coor and ATP Ejendomme initiate a partnership for tomorrow's office properties

Coor and ATP Ejendomme, a Danish real estate company, are working together to meet customers' need for smart and sustainable offices with good service.

Square footage and an attractive location are no longer enough for companies looking to rent office space. Today there is also a desire for "space as a service" – a more sustainable office environment with an advanced service offering. This is the background to why ATP Ejendomme has entered into a partnership with Coor regarding a new, data-driven service offering.

"We have a clear ambition to create office environments that support our customers' business and success. This is where space as a service and facility management play a key role, and I am glad that Coor is helping us with this," says Martin Vang Hansen, CEO of ATP Ejendomme.

Data is the key to success

Data use is a fundamental part of the partnership and is essential to enabling customisation of the services. A good example of how data can be used to improve the customers' service experience are sensors that register use of office spaces, meeting rooms and corridors, allowing Coor to adapt its cleaning services to the customers' needs.

According to Jørgen Utzon, President of Coor in Denmark, it is precisely this ability to tailor the service that is the key to success:

"At Coor we strive to create smart workplaces that promote the greatest possible job satisfaction and well-being at work. We combine our knowledge in service delivery with innovative data use, enabling ATP Ejendomme to make life easier for its customers," he says.

An expanding partnership

The partnership began in October 2022 with seven properties in Copenhagen, where Coor is responsible for the maintenance of outdoor environments and operation of the lunch restaurants. On 1 December 2023, the collaboration was expanded to include another ten properties, and the plan is to gradually add further properties in 2024.

Coor's contract with ATP Ejendomme

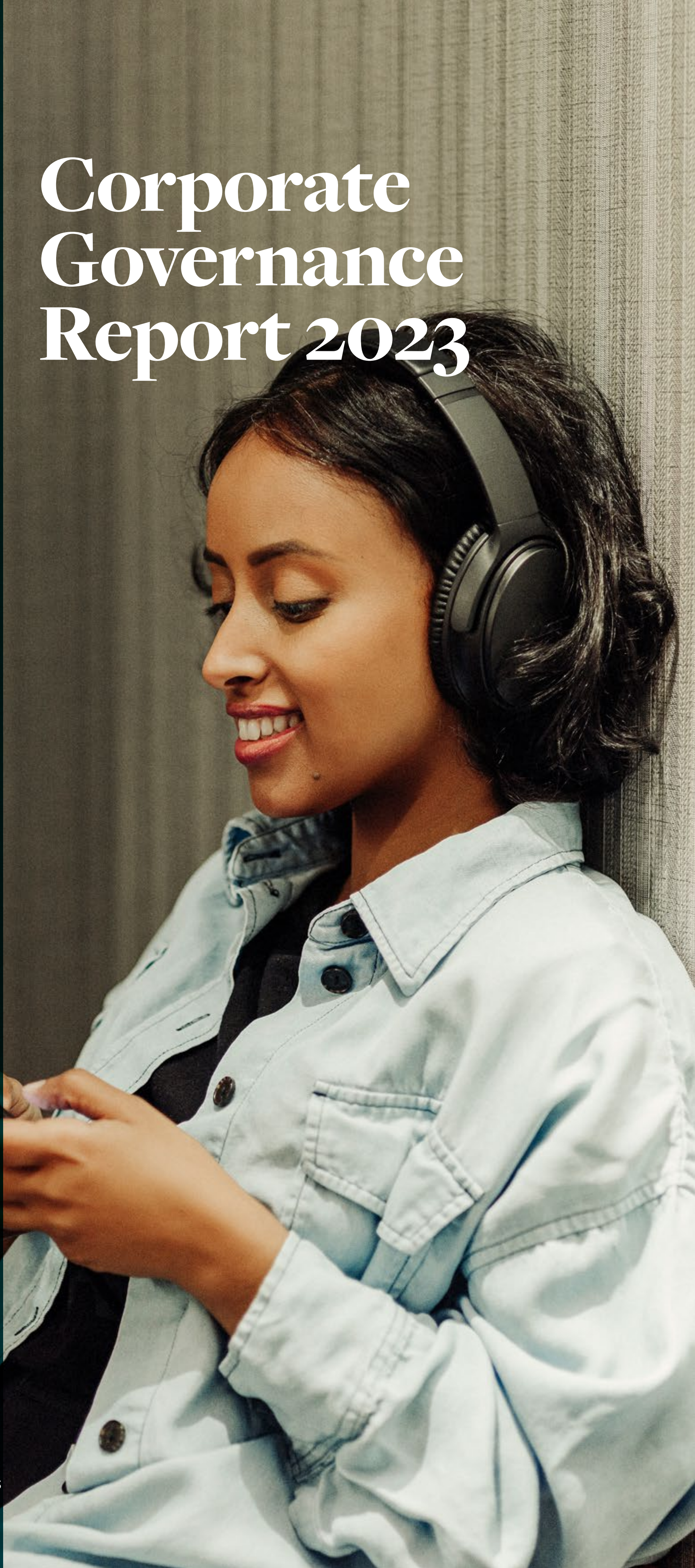
The service contract covers 27 of ATP Ejendomme's properties in Copenhagen. In the initial stage, common areas in properties with multiple users are included in the contract. Longer-term, office customers will also be able to purchase services such as window cleaning, cleaning and property maintenance.

Photo: ATP Ejendomme
Photographer: Rune Johansen

Corporate Governance Report 2023

Corporate Governance Report

The Corporate Governance Report is a part of Coor's Annual Report 2023, which explains why it begins on page 52. The Corporate Governance Report can be read separately but sometimes contains references to other parts of the annual report. The full annual report is available on the company's website.



The Corporate Governance Report of Coor Service Management Holding AB (corp. ID no. 556742-0806) refers to the 2023 financial year.

Structured governance and control

The goal of Coor's corporate governance is to ensure systematic risk management and sustained value creation for shareholders through good control and a sound corporate culture.

This Corporate Governance Report has been prepared by the Board of Directors of the Coor Group and describes Coor's corporate governance for 2023. The report has been reviewed by Coor's auditors, whose opinion is presented at the end of the report.

Corporate governance at Coor

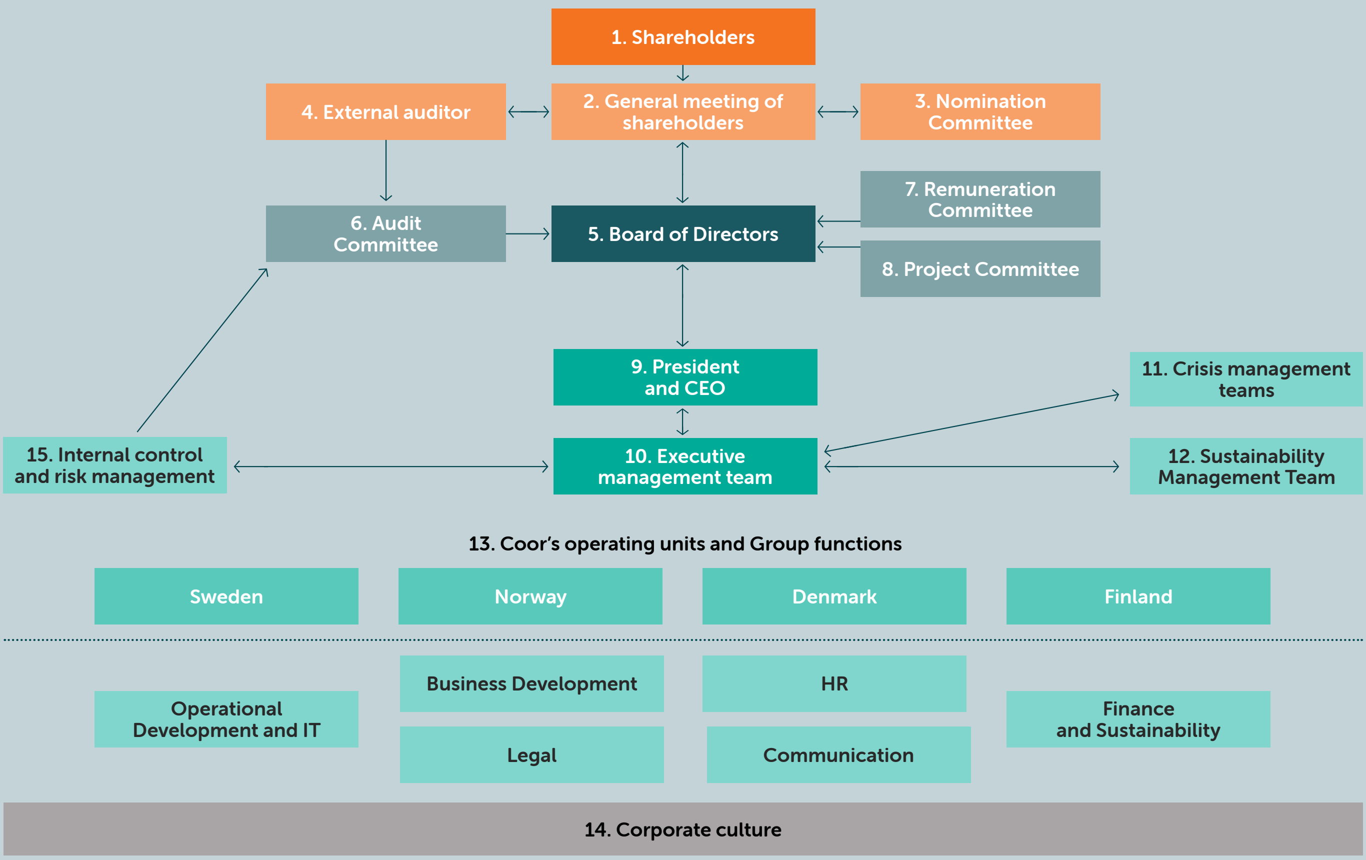
Coor is a public limited company with its registered office in Stockholm, whose shares are listed on the Nasdaq Stockholm exchange. For Coor, good corporate governance means that the company is managed in a sustainable, responsible and efficient manner in all dimensions, thereby creating long-term value for all shareholders and other stakeholders.

Coor's corporate governance is based on Swedish laws and regulations and on the rules and practices which apply for companies listed on Nasdaq Stockholm. Coor also follows the Swedish Corporate Governance Code without deviating from any of its rules. In the countries where Coor operates the company follows the applicable local legislation.

In addition to the external regulations, Coor has a set of internal regulations consisting of governing documents for the Group, of which the most important are the Articles of Association, which are adopted by the shareholders' meeting, the rules of procedure for the Board of Directors and its committees, and the Board's terms of reference for the Chief Executive Officer. In addition, there are a large number of internal policies, instructions and delegation arrangements which clarify responsibilities and authorities in different areas. The most important governing documents are included in Coor's management system, which also describes the company's main processes and common work methods.

Coor's corporate governance structure is well defined and is illustrated schematically below.

Coor's corporate governance structure



1. Shares and ownership structure

At year-end, Coor had a share capital of SEK 383,248,088, represented by 95,812,022 shares. Each share carries one vote at general meetings. As at 31 December 2023, Coor's share register listed approximately 16,000 shareholders. Of the total share capital, approximately 45 per cent was owned by investors outside Sweden. The three largest shareholders were Första AP-Fonden with 8.9 per cent of the shares and voting rights, Mawer Investment Management with 7.3 per cent and Nordea Fonder with 6.6 per cent. More information about Coor's shares and ownership structure is available on the company's website under *Investors* and in the section *Share information*.

2. General meeting of shareholders

In accordance with the Swedish Companies Act, the general meeting of shareholders is the company's highest decision-making body. All shareholders are entitled to participate and vote at the ordinary general meeting (Annual General Meeting). At the Annual General Meeting (AGM), shareholders discuss the annual report, payment of dividends, election of Directors and auditors, fees and principles of remuneration as well as other matters. The resolutions adopted at a general meeting are announced in a press release after the meeting. More information on the convening of and participation in general meetings is available on the company's website under *Who we are/Corporate Governance*.

3. Nomination Committee

The composition and activities of the Nomination Committee are governed by the terms of reference adopted by the AGM and are described on the company's website under *Who we are/Corporate Governance/Annual General Meetings*.

Composition and activities in preparation for the 2024 AGM

Prior to the 2024 AGM, the Nomination Committee consists of Ulrika Danielson (Andra AP-Fonden), Henrik Didner (Didner & Gerge Fonder), Anna Magnusson (Första AP-Fonden), Richard Torgerson (Nordea Funds) and Chairman of the Board Mats Granryd. In preparation for the 2024 AGM, the Nomination Committee met on four occasions. Through the Chairman of the Board and the company's President and Chief Executive Officer, the Nomination Committee received information about the operations, development and other circumstances of the company. The Nomination Committee also interviewed individual Board Directors. It also discussed the main requirements that should be applied for Directors, including the requirement for independent Directors, and looked at the number of directorships of other companies held by the Directors. The committee placed a strong emphasis on ensuring a balanced representation of men and women, diversity and breadth.

Shareholders have been welcome to submit proposals and views to the Nomination Committee. No separate fee was paid to any of the members of the Nomination Committee.

4. External auditors

The company's auditors are appointed by the AGM. At the 2023 AGM, Öhrlings PricewaterhouseCoopers AB (PwC), with Niklas Renström as auditor-in-charge, were re-elected to serve as the company's external auditors until the 2024 AGM. PwC have been Coor's auditors since 2004. Niklas Renström has been Coor's auditor-in-charge since 2018.

The external audit of Coor's financial statements is conducted in accordance with the Swedish Companies Act, the International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. The auditors are tasked with auditing the annual accounts, annual report and consolidated accounts as well as the Board of Directors' and executive management team's management of the company. The auditors also review the interim financial statements as at 30 September and the company's internal control.

The auditors are required to keep the Board updated on the planning, scope and content of the annual audit and to inform the Board of any services in addition to audit services that have been provided, the fees for such services and other circum-

Resolutions adopted at the 2023 AGM

The main resolutions adopted at the 2023 AGM were as follows:

- → The Board of Directors should consist of six Directors with no deputies.
- → The election of the Chairman of the Board and Directors in accordance with the Nomination Committee's proposal:
  - Mats Granryd was re-elected to the Board as a Director and as Chairman of the Board.
  - Directors Karin Jarl Månsson, Magnus Meyer, Kristina Schauman, Heidi Skaaret and Linda Wikström were re-elected to the Board.
- → To approve the payment of Directors' fees in the below amounts, as proposed by the Nomination Committee.
  - SEK 865,000 to the Chairman.
  - SEK 315,000 to each of the other AGM-elected Directors.
  - SEK 110,000 to Directors who are members of the Audit Committee.
  - SEK 225,000 to the Chairman of the Audit Committee.
  - SEK 50,000 to Directors who are members of the Remuneration Committee.
  - SEK 75,000 to the Chairman of the Remuneration Committee.
  - SEK 75,000 to Directors who are members of the Project Committee.
  - SEK 100,000 to the Chairman of the Project Committee.
- → Resolution on a long-term share-based incentive programme (LTIP 2023) for the executive management team (EMT) and top management team (TMT).
- → To authorise the repurchase and transfer of shares.
- → To authorise the issuance of new shares.

The audit firm PwC notified Coor that Niklas Renström will be appointed as auditor-in-charge for the audit.

The full minutes of the AGM are available at coor.com.

Auditors

Öhrlings PricewaterhouseCoopers AB (PwC)
Auditor-in-charge:
Niklas Renström

Other audit engagements:
Bonnier, Cint AB and Vestum.

DNV – Environmental and quality auditors
Coor's business has been globally certified under the international ISO 45001-2018 occupational health and safety, ISO 14001-2015 environment and ISO 9001-2015 quality standards. This means that the business is audited twice a year by an independent party. Det Norske Veritas (DNV) is in charge of the external audit with regard to compliance with the standards. The results of these audits are reported to the executive management team.

More information about this audit is presented in the section *Sustainability notes*.

stances that could affect the auditors' independence. To meet the Board's need for information and to ensure that all areas are addressed in a structured manner, Coor's auditors participate at the meetings of the Audit Committee and attend at least one Board meeting a year. On at least one occasion, the auditors meet the Board without the presence of management. The fees paid to the auditors for 2023 are presented in *Note 7 Audit fees* in the *statutory annual report*.

5. Board of Directors

Under the Articles of Association, Coor's Board of Directors must consist of at least three and not more than ten ordinary Directors elected by the general meeting of shareholders. The Board of Directors is elected annually at the AGM. The Articles of Association contain no other provisions on the appointment or dismissal of Directors. The Board is responsible for ensuring that the company's organisation is appropriate and that the operations are conducted in accordance with the Articles of Association, the Swedish Companies Act and other applicable laws and regulations. The Board is required to perform its duties jointly under the leadership of the Chairman. Rules of procedure are adopted annually that set out the duties and decision-making process of the Board. The rules of procedure also describe the procedures for the notice, agenda and minutes of Board meetings as well as the duties of the Board in respect of accounting, auditing and remuneration matters. They furthermore regulate how the Board should receive information and documentation as a basis for its work in order to be able to make well-founded decisions. An inaugural meeting is held after the Annual General Meeting. Thereafter, the Board is required to hold at least six meetings per calendar year. At each regular meeting, the Board follows the agenda prescribed in the rules of procedure, which includes a report from the CEO, financial reports, investments and strategic matters. Prior to each meeting, the Directors receive written material on the matters to be discussed. The Board also annually adopts terms of reference for the CEO.

Composition and activities in 2023

As of 31 December 2023, Coor's Board of Directors consists of six ordinary Directors elected by the general meeting of shareholders and three employee representatives. The composition of the Board meets the requirements for independent Directors provided for in the Swedish Corporate Governance Code. Information on the independence of the Directors is presented in a table on the next page.

The Board of Directors is presented at the end of the Corporate Governance Report along with information about the Directors' directorships outside the Group and their holdings of Coor shares. The Board has appointed Coor's Chief Legal Counsel to act as its secretary.

As its diversity policy, Coor applies Rule 4.1 of the Swedish Corporate Governance Code, which means that the Board should have a composition that is appropriate in view of the company's operations, stage of development and other circumstances, and is diverse and broad with regard to the skills, experience and backgrounds of its AGM-elected members, and that a balanced representation of men and women should be aimed for. Coor considers that the company's Board of Directors meets the requirements of its diversity policy. The Board consists of four women and two men. The members come from different sectors of industry and have varying professional backgrounds and expertise.

In 2023, the Board met on 14 occasions. The Board addressed strategic matters, financial performance and matters relating to customers, employees, sustainability and risk management over the course of the year. Each year, the Board holds a strategy meeting at which the company's strategic agenda is addressed from all three dimensions – business, social and environmental sustainability. In order to give all Directors a deeper understanding of the company's sustainability management, the company's specialists in various fields are regularly invited to Board meetings to present specific issues. The Directors bring their experience from other directorships and constantly challenge the executive management team to ensure sustainable development in line with the company's strategy. The Board is also involved in preparing the company's materiality analysis. Important matters addressed during the year included the company's strategy, action programmes to improve profitability, new business and potential acquisitions. To handle matters that need to be discussed separately, the Board has established three committees: the Remuneration Committee, the Audit Committee and the Project Committee. The composition of the committees is proposed by the Chairman of the Board and is based on the Directors' knowledge and experience. The composition is then decided by the Board. The committees reported on their meetings to the Board on a regular basis.

Attendance at the year's Board meetings was good. Information on Directors' attendance at meetings of the Board and its committees and on the fees paid for this work is presented in the table on the next page.

Directors' attendance, independence and fees

	Meeting attendance				Independence		Fees
	Board of Directors	Audit Committee	Project Committee	Remuneration Committee	Independent of the company	Independent of major shareholders	Approved Directors' and committee fees, SEK '000 [1]
Total number of meetings	**14**	**6**	**8**	**4**			
AGM-elected Directors							
Mats Granryd, Chairman	12	–	8	4	Yes	Yes	1,015
Karin Jarl Månsson [2]	14	–	6	4	Yes	Yes	440
Magnus Meyer	13	6	8	–	Yes	Yes	525
Kristina Schauman	13	6	–	4	Yes	Yes	590
Heidi Skaaret	12	6	–	–	Yes	Yes	425
Linda Wikström	13	–	8	–	Yes	Yes	390
Union-appointed employee representatives							
Glenn Evans	14	–	–	–	No	Yes	–
Rikard Milde	14	–	–	–	No	Yes	–
Urban Rääf	13	–	–	–	No	Yes	–

[1] The fees for Directors' and committee work were approved by the AGM on 27 April 2023 and apply until the next AGM on 26 April 2024. For information on fees that had an impact on earnings for 2023, see *Note 6 Remuneration of senior executives* in the *statutory annual report*.
[2] Appointed as a member of the Project Committee on 27 April 2023.

Independence requirements
Coor's Board of Directors is subject to the independence requirements set forth in the Swedish Corporate Governance Code. In preparation for the 2023 AGM, the Nomination Committee presented the following assessment regarding the independence of the Directors elected at the 2023 AGM: Mats Granryd, Linda Wikström, Karin Jarl Månsson, Magnus Meyer, Heidi Skaaret and Kristina Schauman were all considered to be independent of the company and management and of the company's major shareholders.

6. Audit Committee
Consists of three Board-appointed members: Kristina Schauman (Chairman), Heidi Skaaret and Magnus Meyer. Coor's CFO and external auditors attend all meetings. Follows up and monitors sustainability, internal control, audit, risk management, accounting and financial reporting activities.

7. Remuneration Committee
Consists of three Board-appointed members: Mats Granryd (Chairman), Karin Jarl Månsson and Kristina Schauman. Submits proposals on remuneration to the Board, and monitors and evaluates remuneration structures and levels for the executive management team.

8. Project Committee
Consists of four Board-appointed members: Magnus Meyer (Chairman), Mats Granryd, Karin Jarl Månsson and Linda Wikström. Assists the Board by submitting proposals for and providing decision guidance on major customer contracts, acquisitions and other important agreements.

Evaluation of the Board

In 2023, the Board carried out the annual evaluation of its work in the previous year. The purpose of the evaluation is to further improve the Board's efficiency and practices and to determine the main focus of the Board's activities going forward. The evaluation also serves as a tool for determining the requirements for the expertise needed on the Board, and to assess the expertise represented by the Board's existing members. The evaluation thus also serves as a basis for the Nomination Committee's work of nominating Directors. In carrying out the annual evaluation, the Directors were asked, based on their own perspective, to fill in questionnaires and assess various areas related to the work of the Board, including the Chairman of the Board. The areas evaluated for 2023 included the composition of the Board, its handling of and the focus of Board meetings as well as the Board's handling of matters relating to strategy and strategic priorities, sustainability, financial and non-financial goals and potential risks. The results of the evaluations regarding the Board as a whole and the Chairman of the Board are discussed by the Board. The results of the evaluations are also shared with the Nomination Committee. In preparing nominations for new Directors, the Nomination Committee takes into account the views on the composition of the Board presented in the Board evaluation.

Activities of the Board and committees

FOURTH QUARTER

Board of Directors

- Approval of strategy.
- Review of Auditor's Report.
- Approval of Q3 report.
- Resolution on share buybacks.
- Evaluation of the Board.
- Evaluation of LTIP and proposed new programme.
- Evaluation of CEO and senior executives and of proposed remuneration and other terms for the CEO and senior executives.
- Approval of budget and business plan.
- Refinancing bonds.

Audit Committee

- Review of Q3 report.
- Review of finance function.
- External Auditor's Report.
- Evaluation of internal control.
- CSRD review.
- Draft Corporate Governance Report.
- Matters relating to the annual accounts.
- Assessment and decision on the need for an internal audit function.
- Evaluation of external auditors.
- Review of IT security.
- Governance, risk assessment and compliance.

Remuneration Committee

- Evaluation of CEO.
- Resolution on remuneration of CEO and rest of EMT.
- Review of LTIP 2024.

THIRD QUARTER

Board of Directors

- Approval of Q2 report.

Audit Committee

- Review of Q2 report.

Remuneration Committee.

- Review of LTIP 2023 guidelines.

SECOND QUARTER

Board of Directors

- Approval of Q1 report.
- Review of risk assessment.
- Inaugural Board meeting.
- Approval of rules of procedure for the Board and committees as well as policies to be adopted by the Board.

Audit Committee

- Review of Q1 report.
- Audit plan and fees for external auditors.
- Plan for internal control.
- Review of procedure for purchase of non-audit services.
- Review of treasury policy.
- Review of sustainability reporting
- Governance, risk assessment and compliance.

Remuneration Committee

- Management review and succession planning.
- Assessment of interest in this year's LTIP.

FIRST QUARTER

Board of Directors

- Review of Auditor's Report.
- Approval of Corporate Governance Report.
- Resolution on proposed appropriation of retained earnings.
- Approval of year-end report.
- Preparations for AGM.
- Approval of annual report.
- Approval of net zero goal.
- Approval of bid for Skaraborgs Städ.

Audit Committee

- Review of year-end report.
- Approval of Corporate Governance Report.
- Review of tax policy.
- Review of terms of reference for Audit Committee.
- External Auditor's Report.
- Governance, risk assessment and compliance.

Remuneration Committee

- Review of Remuneration Report 2022.
- Evaluation of remuneration guidelines and the application of the guidelines.
- Proposed LTIP 2023.

In addition to the specific matters mentioned here, there are areas that are continuously discussed in the Board such as results and outcomes in business, social and environmental sustainability, updates from the various countries, governance and compliance, investments and strategic issues. At each Board meeting, the various committees also present reports from their meetings.

Principles of remuneration of Directors and senior executives

Directors' fees are set by the AGM based on the Nomination Committee's proposal. Additional fees are paid to the chairmen and members of Board committees.

The AGM also determines the principles of remuneration of senior executives in the Group. These guidelines state that the total remuneration must be market-based, competitive and reflect the individual's performance and responsibilities.

Matters relating to senior executives are prepared by the Board's Remuneration Committee, which also monitors and evaluates remuneration structures and levels on an ongoing basis.

For complete information on levels of remuneration and guidelines for remuneration, see *Note 6 Remuneration of senior executives* in the statutory annual report.

Basic salary

Coor aims to ensure that members of the executive management team are paid a competitive market salary in the form of a fixed monthly salary. The basic salary is paid as remuneration for dedicated work performance at a high level that adds value for Coor's customers, shareholders and employees.

Variable remuneration

In addition to a basic salary, members of the executive management team are offered variable remuneration as well as a long-term incentive programme.

Annual variable remuneration

Annual variable remuneration is based on achievement of Coor's targets in three dimensions. In the business dimension, remuneration is based on target achievement for earnings, growth, cash flow and CSI; in the social dimension on target achievement for EMI and TRIF; and in the environmental dimension it is linked to the Scope 3 goal of ensuring that emissions from purchased goods and services come from suppliers with SBTi-approved targets. The remuneration is contingent on achievement of defined and measurable targets and is capped at 75 per cent of the fixed annual salary. In special cases, an agreement on non-recurring remuneration may be concluded. Such remuneration is capped at 25 per cent of the fixed annual salary.

Long-term share-based incentive programmes (LTIP)

Coor's long-term incentive programmes (LTIP) are designed to increase and strengthen the company's ability to recruit and retain key individuals and to encourage participants to become long-term shareholders of Coor as a means of aligning the interests of participants and other shareholders. To participate in the programmes, participants are required to invest in Coor shares. The LTIP runs for three years and the outcome depends on the achievement of various performance criteria.

For information on LTIP 2021, 2022 and 2023, see *Note 5 Employees and employee benefit expenses* and *Note 6 Remuneration of senior executives* in the *statutory annual report*.

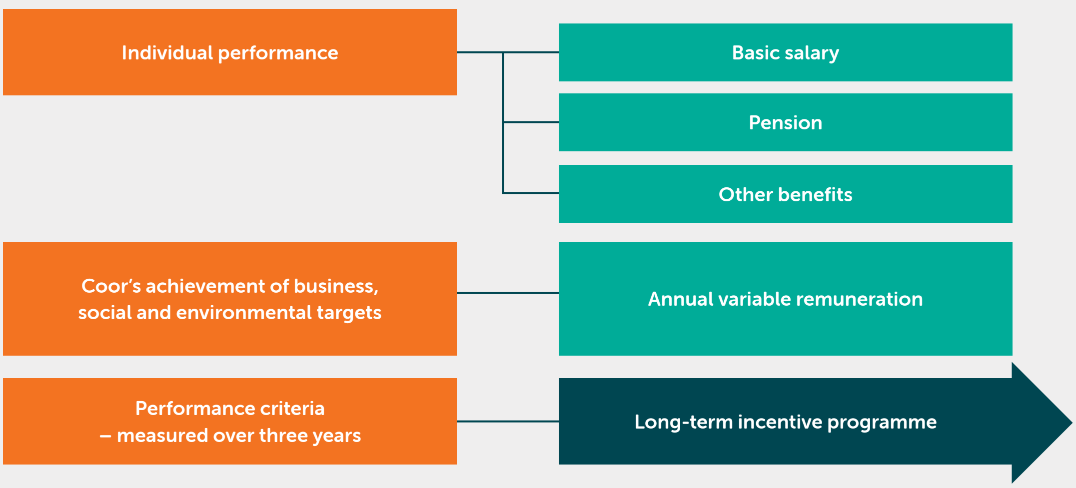
Retirement benefits

Retirement benefits for senior executives must take the form of defined contribution benefits (unless the executive is covered by a defined benefit pension plan under prevailing provisions of a collective bargaining agreement) and may not exceed 30 per cent of the fixed annual salary. The CEO and other senior executives are covered by an ITP supplementary pension plan solution (or an equivalent solution in other countries). The retirement age is not specified contractually, but is governed by local rules in each country.

Other benefits and severance pay

Other benefits mainly consist of normal company car and healthcare programmes. The contracts of members of the executive management team are terminable on no more than six months' notice and provide for severance pay of no more than 18 months' fixed salary. No severance pay is paid in case of voluntary resignation.

Coor's remuneration structure



9. Chief Executive Officer

The Board of Directors has delegated operational responsibility for the company and its management to the company's President and Chief Executive Officer (CEO), who manages the business within the limits and guidelines established by the Board. The division of responsibilities between the Board and CEO is set out in written terms of reference, which are adopted annually by the Board. On 1 August 2020, AnnaCarin Grandin took over as Group President. The CEO appoints the executive management team, who together with the CEO are in charge of managing the company's day-to-day operations. This responsibility includes setting goals for the company's operational activities, allocating resources and monitoring performance as well as preparing proposals for investments, acquisitions and divestments in accordance with the Board's written instructions.

The evaluation of the CEO was discussed at a Board meeting without the presence of management.

10. Executive management team

In addition to the CEO, the Group's executive management team consists of the Presidents of each country and the heads of the Group functions. During the year, the executive management team convened 23 times in person or by video conference. Matters addressed during the year included sanctions in response to the war in Ukraine, inflation, performance monitoring and forecasts, targets and target monitoring, the market situation, ongoing deals, the status of Group-wide projects, strategy work, recruitment and other important matters.

The Group also has an expanded management forum – the top management team – which consists of the executive management team, specialists and the country management teams. The Group's roughly 170 senior executives gather annually at a special forum (Management Days) to network, exchange experience, be inspired and discuss matters of common interest.

11. Crisis management teams

Coor's continuity management and continuity planning are integrated into the company's regular management structure. In more extreme situations, the Group's crisis management team (CCT, Coor Crisis Team) is convened. The CCT is organised as a Group crisis management team and national crisis management teams.

The countries have active CCT teams with continuous coordinating meetings which, among other tasks, ensure that procedures are in place and are well understood. In 2023, the CCT was activated only once. This happened in Finland in response to damage to a telecom cable and gas pipeline between Finland and Estonia in October. The situation did not necessitate significant action to secure Coor's operations and the crisis team was soon able to disband and hand over responsibility to the line.

Coor's executive management team

CEO
AnnaCarin Grandin

Operational Development and IT
Jenny Lindgren

Finance and Sustainability
Andreas Engdahl

Business Development
Jens Ebbe Rasmussen

Legal
Erik Strümpel

HR
Helena Söderberg

Communication
Magdalena Öhrn

Sweden
Magnus Wikström[1]

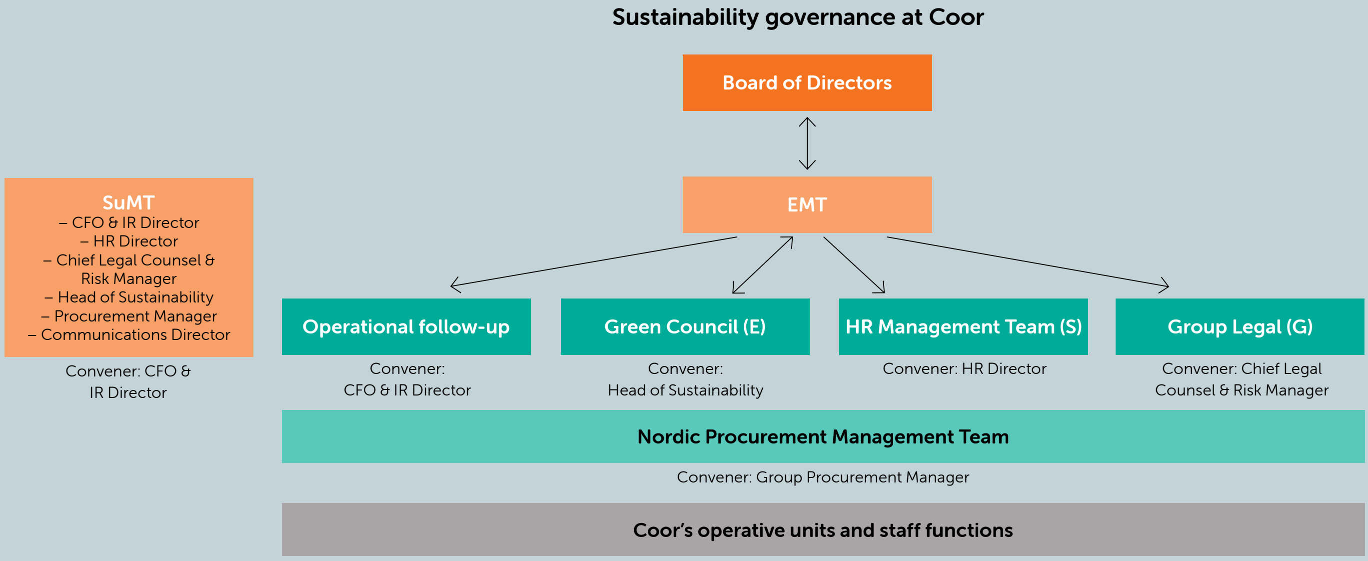
Norway
Stine Solheim[2]

Denmark
Jørgen Utzon

Finland
Marcus Karsten

[1] Magnus Wikström, President of Coor's Swedish operations, stepped down in mid-February 2024. A recruitment process has been initiated to find a permanent replacement and Magnus will be succeeded by an external interim solution until a permanent replacement has been appointed.

[2] In the second quarter of 2024, Stine Solheim will take over as President of Coor's Norwegian operations, succeeding Nikolai Utheim who stepped down in December 2023.



12. Sustainability management team

The Board continuously discusses the company's strategic focus for sustainability. It also defines the framework for the Group's operational activities through the executive management team (EMT) and the sustainability management team (SuMT), which reports directly to the EMT. The SuMT is responsible for managing and monitoring the company's sustainability management activities, deciding on focus areas for sustainability within the framework of the EMT's strategic focus and assigning priorities to strategic sustainability initiatives. The SuMT has a mandate to make executive decisions to ensure compliance with the sustainability strategy. The SuMT also drafts decisions on sustainability-related matters that will be made by the executive management team and is responsible for monitoring compliance with Coor's sustainability policy. The team meets at least once a quarter.

Sustainability governance at Coor includes a management team for each sustainability dimension that is responsible for developing and implementing the sustainability strategy and for driving change where required. The management team for each dimension includes representatives from all countries. The business dimension is led by the CFO, the social dimension by the HR Director and the environmental dimension by the Head of Sustainability. The CFO monitors the issues addressed at all meetings. The management team establishes strategic plans, builds a consensus among the countries and ensures that the plans are realised. A central governance model ensures that sustainability is integrated into all activities. To facilitate the achievement of strategic objectives, the Nordic purchasing management team also plays a vital role by supporting each function.

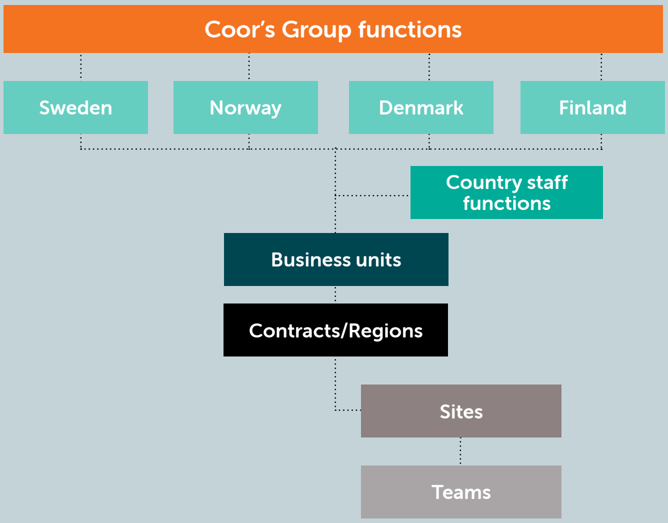
See the above illustration of sustainability management at Coor and the composition of the SuMT.

13. Coor's operating units and Group functions

Coor has an explicitly Nordic strategy and conducts operations primarily in Sweden, Norway, Denmark and Finland. The country structure is the primary basis of segmentation for monitoring and reporting.

Coor has a decentralised organisation in which local managers are required to assume a high degree of responsibility for their business in all three dimensions – business, social and environmental sustainability. There is a well-defined responsibility structure with regular reporting and monitoring in all dimensions at different organisational levels. Each unit is responsible for maintaining good internal control and for identifying and managing risks in its area.

The Group functions support the operational side of the business and the executive management team in various areas and ensure that effective risk management and internal control processes have been implemented.



14. Coor's corporate culture

A healthy corporate culture is of great importance to ensuring systematic risk management and sustainable value creation for shareholders. Coor's corporate culture is inspired by the vision of creating the happiest, healthiest and most prosperous workplace environments in the Nordic region. Coor creates value by executing, developing and streamlining our customers' service activities. This enables our customers to do what they do best.

The most important thing for Coor is the people. Coor's 13,000-strong workforce is a reflection of society at large, in terms of culture, background, age and gender. These differences strengthen us as a company. Respect for the equal value and rights of all people is fundamental to Coor. We are convinced that a diversity of personalities, experiences and knowledge is enriching and that each employee should be treated respectfully and fairly regardless of gender, background or identity. It is also essential to ensure that all employees continuously have opportunities for development – to grow within Coor.

These values are a fundamental reason why Coor has committed and competent employees who in turn ensure effective corporate governance and risk management.

All employees have a responsibility to ensure that the company follows external and internal rules and to take action if the company fails in any way to act in accordance with the established rules. There is an online whistleblower channel through which employees, suppliers and customers can anonymously report irregularities at the company through encrypted messages.

15. Internal control and risk management in respect of financial reporting

Coor's framework for internal control and risk management has been designed to ensure reliable financial reporting as well as compliance with laws and requirements which Coor as a listed company is required to follow.

Ultimate responsibility for internal control of financial reporting rests with Coor's Board of Directors. The Board has established an Audit Committee from among its members which monitors issues relating to this in accordance with the committee's rules of procedure. The Audit Committee has tasked the Group finance function with developing and monitoring the company's internal control system for financial reporting.

Coor's internal control activities are based on the framework developed by COSO. Under this framework, internal control is viewed as consisting of a number of components – control environment, risk assessment, control activities, information and communication, and monitoring. These

components are integrated and interact with each other to prevent and detect material misstatements in the financial statements.

The intention behind Coor's internal control framework is to create effective processes and integrate internal control in the company's day-to-day activities as far as possible.

A. Control environment

A good control environment is fundamental to the effectiveness of a company's internal control system. Coor's control environment is defined in governing documents in the form of policies, procedures and manuals, and is maintained through clearly defined and communicated lines of command, authorities and responsibilities in the organisation.

Coor has a control environment that is based on a well-defined structure of responsibilities as well as regular reporting and monitoring of results in all three dimensions – business, social and environmental sustainability.

Coor has adopted a number of basic guidelines and policies which play an important role in maintaining an effective control environment. These include the Code of Conduct, guidelines for financial reporting and the authorisation manual.

B. Risk assessment

Based on the overall risk assessment produced by the executive management team (see the section *Risks and risk management*), a detailed risk assessment of financial reporting is made to identify and evaluate material risks in the financial processes as well as the risk of irregularities and fraud.

The risk assessment of financial reporting takes account of materiality, complexity and the risk of fraud in various income statement and balance sheet items as well as the risk of misstatements in underlying processes. Clear process descriptions have been prepared for each process in which identified risks are linked to control activities. The process descriptions are subject to a review once a year and are updated when new risks arise or disappear. The risk assessment is used as a basis for the control activities that are used to manage the risks. Risk assessments are carried out jointly by process owners, representatives from each country and Coor's Group finance function.

C. Control activities

Based on the risks that have been identified in respect of financial reporting, control activities are designed to prevent and limit the identified risks and to help ensure correct and reliable financial reporting as well as process effectiveness.

In the various financial processes, Coor has identified a number of key controls which all large entities in the Group are required to apply. The key controls form part of the company's processes for accounting and financial reporting, and include reconciliation of balance sheet accounts, structured financial monitoring through standardised analytical controls at different levels of the organisation and automated integrated controls. All key controls are documented in a shared system, where the control activities are clearly described. The system enables clear traceability with controlled work flows for execution, approval and review of control activities.

D. Information and communication

To ensure that all employees in the organisation are able to fulfil their responsibility for internal governance and control, it is essential that they be aware of, and have access to, important internal governance instruments. A key element of internal control is therefore to ensure that important governance documents are kept up to date and are accessible to all employees on the Group's intranet, and that changes and updates are clearly communicated.

To ensure that the executive management team and the Board of Directors receive important information from the employees, Coor has established formal as well as informal information channels. These include a whistleblower function through which employees can report suspected irregularities.

For communication with external parties, there is a communication and IR policy which sets out guidelines for this communication and ensures that the Group meets the requirements for regular disclosure of correct information in the form of annual reports, interim reports, press releases and notices on the company's website, www.coor.com.

E. Monitoring

Monitoring of internal control is a part of Coor's natural improvement activities and is carried out to ensure that the Group's internal governance and control remain relevant and effective.

The Group's financial situation, financial strategies and objectives are discussed at every Board meeting. Between meetings, the Board also receives monthly reports on Coor's financial performance. The Board has tasked the Audit Committee with ensuring that the company's internal control system for financial reporting is monitored and evaluated. The Audit Committee is also charged with monitoring the quality of the Group's internal control system and ensuring that any issues and proposed measures identified in the external audit are addressed. Each year, the Group's external auditors review the Group's internal control system and report their observations in a report to management and the Audit Committee. The Audit Committee then reports to the Board at the following Board meeting. The Audit Committee has tasked the Group finance function with developing and monitoring the company's internal control system for financial reporting. This is done proactively by continually analysing and updating the Group's internal control framework and by assessing the effectiveness of the internal control system. A key instrument for monitoring internal control is the self-assessment that is carried out annually in the Group. The purpose of the self-assessment is to ensure that all control activities have been carried out in a satisfactory manner, and to identify potential improvements in the framework. Internal control is monitored on a country and process basis. In addition to the self-assessment, the Group's finance function also reviews the Group's financial processes according to a rolling schedule. Conclusions and proposed improvements are reported to each country and process owner. A more detailed report on internal control is submitted to the Group's Audit Committee and to the Group's external auditors.

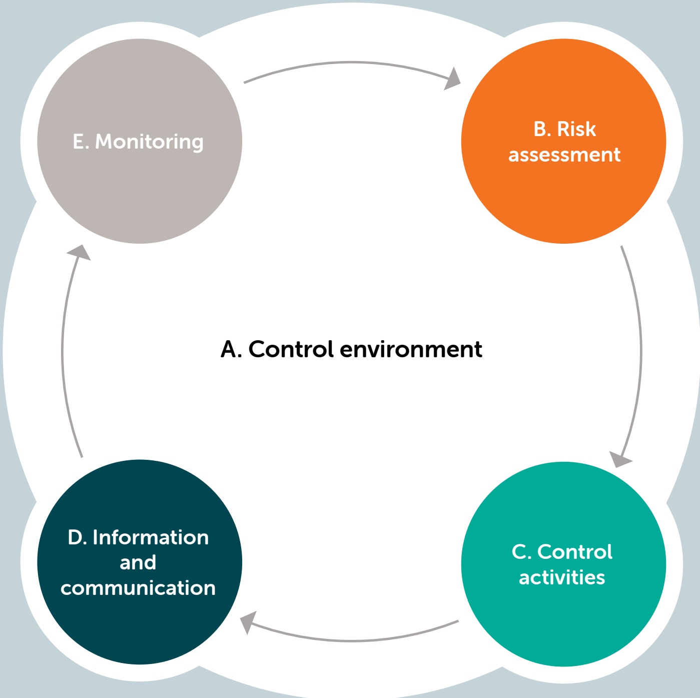
Internal auditing

In accordance with the Swedish Corporate Governance Code, the Board of Directors has assessed the need for a separate internal audit function. In view of the size of the Group, the Board's current assessment is that there is no need to establish a separate internal audit function. The internal audit activities have been carried out as part of the Group's finance function. The need for an internal audit function is reviewed annually.

Internal governance and control at Coor

Internal control is an integral part of Coor's day-to-day activities, and continuous efforts are made to improve internal control and minimise risks in financial processes. Through continuous monitoring, evaluation and updating of control activities, Coor creates an effective system of internal control.

Financial processes
- Financial close
- Tax
- Revenue and Receivables
- Purchase and Payables
- Payroll
- Investments
- IT/IT security



A. Control environment
- Governing policies, instructions and manuals.
- Defined and communicated lines of command, levels of authority and areas of responsibility.

B. Risk assessment
- Review of income statement and balance sheet items with regard to materiality, complexity and the risk of fraud.
- Process descriptions connect risks in underlying processes with control activities.

C. Control activities
- Control matrix – overview of risks and control activities for all processes.
- Structure and classification – a common system with clear traceability for execution and monitoring of control activities.

D. Information and communication
- Updated and clearly communicated policies, instructions and manuals.
- Whistleblower function.
- Communication with external stakeholders through press releases, financial reports and other publications.

E. Monitoring
- Self-assessment – the company assesses how well it is living up to the requirements of the internal control framework.
- The Group's review of key controls in all processes according to a rolling schedule.
- Reporting of conclusions and suggested actions to process owners, management and the Audit Committee.

Key external and internal governing documents

External regulations
- Swedish Companies Act
- Swedish Annual Accounts Act
- Nasdaq Stockholm's rules for issuers
- Swedish Corporate Governance Code
- International Financial Reporting Standards (IFRS)

Internal governing documents
- Articles of Association
- Rules of procedure for the Board of Directors
- Rules of procedure for the Board committees
- Board of Directors' terms of reference for the CEO

Policies and instructions
- Code of Conduct[1)]
- Anti-corruption policy[1)]
- Insider policy[1)]
- Treasury policy[1)]
- Financial targets and dividend policy[1)]
- Tax policy
- Communication policy
- Procurement policy
- Sustainability policy including risk management
- Diversity and inclusion policy
- Human rights policy
- Environmental and climate policy
- IT policy
- Information security policy
- Data protection policy
- Accounting manual
- Authorisation manual

1) Policies adopted by the Board

Auditor's report on the Corporate Governance Statement

To the general meeting of the shareholders in Coor Service Management Holding ABs (Publ), corporate identity number 5566742-0806

Engagement and responsibility
It is the board of directors who is responsible for the corporate governance statement for the year 2023 on pages 52-64 and 66-69 and that it has been prepared in accordance with the Annual Accounts Act.

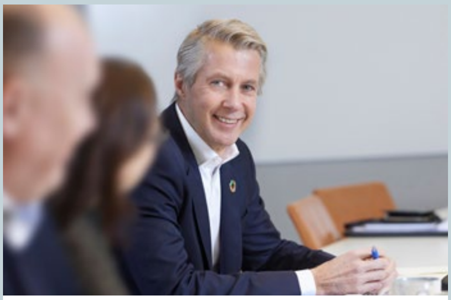
The scope of the audit
Our examination has been conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions
A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, 26 March 2024
Öhrlings PricewaterhouseCoopers AB

Niklas Renström
Authorised Public Accountant

Board of Directors



Mats Granryd

Director since 2016.
Chairman of the Board since 2017.
Chairman of the Remuneration Committee.
Independent of the company and management and of the company's major shareholders.

Born: 1962

Education: M.Sc. in Engineering, KTH Royal Institute of Technology in Stockholm.

Professional experience: President and CEO of Tele2 Group, Managing Director of Ericsson India, UK, Northern Europe & Central Asia and North Africa. Head of Supply & Logistics in the Ericsson Group. Consultant at Arrigo and Andersen Consulting.

Other current directorships: Director General GSMA, Chairman of Vattenfall, Director of Sveriges Televison.

Shareholding at closing date: 50,000 shares.

Kristina Schauman

Director since 2015.
Chairman of the Audit Committee and member of the Remuneration Committee.
Independent of the company and management and of the company's major shareholders.

Born: 1965

Education: M.Sc. in Economics and Business, Stockholm School of Economics.

Professional experience: Founder of consulting firm Calea AB. CFO of Apoteket AB, Carnegie Group and OMX AB. Group Treasurer, OMX AB. Vice President, Corporate Finance and Group Treasurer at Investor AB.

Other current directorships: CEO and Director of Calea AB. Director of Viaplay Group, Afry, Bewi ASA, Ellos Group, Danads International, Vionlabs and Ahlstrom. Member of NASDAQ OMX Stockholm's Disciplinary Committee.

Shareholding at closing date: 20,000 shares.

Heidi Skaaret

Director since 2016.
Member of the Audit Committee.
Independent of the company and management and of the company's major shareholders.

Born: 1961

Education: MBA, University of Washington, USA.

Professional experience: President of Lindorff AS and EVP Lindorff Group AB, CEO of IKANO Bank Norway, Bank Executive at DNB ASA.

Other current directorships: Strategic Advisor, Storebrand ASA. Chairman of Storebrand Bank ASA, Storebrand Forsikring AS, Storebrand Helseforsikring AS and Kron AS.

Shareholding at closing date: 2,500 shares.

Age distribution of Directors

- 40–49 years, 17%
- 50–59 years, 50%
- <60 years, 33%

Gender distribution of Directors

- Men, 33%
- Women, 67%

Time on the Board

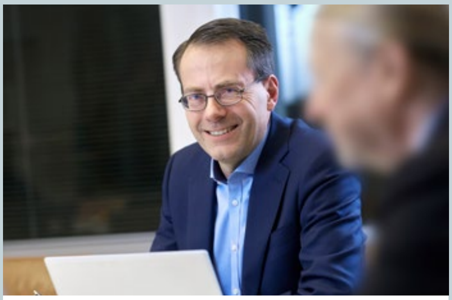
- <3 years, 50%
- 3–8 years, 33%
- <8 years, 17%

Board attendance

92%

Independent of major shareholders

100%



Magnus Meyer
Director since 2021.
Chairman of the Project Committee and member of the Audit Committee.
Independent of the company and management and of the company's major shareholders.

Born: 1967

Education: M.Sc. in Engineering and Licentiate of Engineering, KTH Royal Institute of Technology in Stockholm.

Professional experience: President and CEO of WSP Europe and Tengbomgruppen AB. Various senior positions at GE Real Estate and Ljungberggruppen AB.

Other current directorships: Chairman of HiQ International AB, Director of Fagerhult Group AB, Vasakronan AB, Slättö Förvaltning AB and Kinnarps AB as well as other companies.

Shareholding at closing date: 6,866 shares.

Linda Wikström
Director since 2022.
Member of the Project Committee.
Independent of the company and management and of the company's major shareholders.

Born: 1975

Education: M.Sc. in Engineering, University of Colorado, USA.

Professional experience: COO and Deputy CEO of Cary Group AB. COO of Desenio Group AB and AniCura Group AB. Investment Professional at Triton Partners and Investment Banker JP Morgan.

Other current directorships: Director of Consilium Marine & Safety AB and Colmec Holding AB.

Shareholding at closing date: 0 shares.

Karin Jarl Månsson
Director since 2022.
Member of the Remuneration Committee and Project Committee.
Independent of the company and management and of the company's major shareholders.

Born: 1964

Education: M.Sc. in Industrial Engineering and Management, Institute of Technology at Linköping University.

Professional experience: Sales Director and Business Development Director at Siemens Smart Infrastructure Nordics, SVP of E.ON Nordic, CEO of E.ON Försäljning AB and E.ON Värme Sverige AB. Various senior positions at E.ON.

Other current directorships: Director of Ellevio AB, Copenhagen Malmo Port AB, System Verification AB, Qvantum Industries AB, Axsol AB and FC Rosengård.

Shareholding at closing date: 4,000 shares.

Employee representatives

Glenn Evans
Director since 2013.

Born: 1959

Employee representative.

Rikard Milde
Director since 2019.

Born: 1967

Employee representative.

Urban Rääf
Director since 2021.

Born: 1958

Employee representative.

Executive management team

AnnaCarin Grandin
President and CEO since 2020.

Born: 1967

Education: M.Sc. in Economics and Business, Stockholm University/University of Gävle/Sandviken.

Professional experience: Several roles at Coor, including President of Coor in Sweden and Coor in Norway, Veolia (formerly Dalkia) and the Swedish Association of Local Authorities and Regions (SKR). Director of CRAMO.

Shareholding at closing date: 82,339 shares.

Andreas Engdahl
CFO & IR Director since 2022.

Born: 1978

Education: M.Sc. in Business and Economics, Linköping University.

Professional experience: Several roles and executive positions at Coor, including VP Group Finance and Head of Business Control.

Shareholding at closing date: 12,335 shares.

Erik Strümpel
Chief Legal Counsel since 2006.

Born: 1970

Education: M.Sc. in Economics and Business, Lund University. IFL Executive Education, Stockholm School of Economics.

Professional experience: Solicitor, Linklaters Advokatbyrå. Judicial Clerk, Handen District Court.

Shareholding at closing date: 11,400 shares.

Helena Söderberg
HR Director since 2020.

Born: 1967

Education: B.Sc. in Human Resource Management and Working Life, Uppsala University.

Professional experience: HR Director, JM. HR Director, Alstom and various HR positions at Skanska.

Shareholding at closing date: 5,000 shares.

Jens Ebbe Rasmussen
Senior Vice President, Business Development & Sales since 2009.

Born: 1968

Education: M.Sc. in Business Administration and Economics, Lund University. Finance, École supérieure de commerce de Paris. Cadet, Land Warfare Centre, Skövde.

Professional experience: Management Consultant at McKinsey & Company. Fixed Income Department at Unibank Markets. Consultant/External Advisor at Fruktbudet.

Shareholding at closing date: 71,327 shares.

Jenny Lindgren
Senior Vice President Operational Development and Digitalisation at Coor since 2023.

Born: 1972

Education: B.Sc. in Business & Economics, Umeå University

Professional experience: Several executive positions in IT and telecom, including Head of B2B Transformation at Telia.

Shareholding at closing date: 5,100 shares.

Jørgen Utzon
President, Coor in Denmark since 2001.

Born: 1961

Education: M.Sc. in Business Administration, Copenhagen Business School. Executive Programme, International Institute for Management Development, Lausanne.

Professional experience: CEO of Strax Nordic, Logistics Manager and Service Director at Xerox Denmark. Various management functions at Rockwool.

Other current directorships: Member of the Committee on Business Policy of the Confederation of Danish Industry (DI). Director of Nordomatic AB and A/S.

Shareholding at closing date: 40,000 shares.

Magdalena Öhrn
Communications Director since 2018.

Born: 1966

Education: B.Sc. in Information Science, Uppsala University, and the Poppius School of Journalism.

Professional experience: Director of Communications at Ving, Head of Department, Account Manager and other roles at Prime PR, Project Manager at Rikta kommunikation, Public Relations Manager at TV3.

Shareholding at closing date: 8,615 shares.

Magnus Wikström
President, Coor in Sweden since 2020.

Born: 1965

Education: M.Sc. in Civil Engineering, KTH Royal Institute of Technology in Stockholm.

Professional experience: Several roles at Coor, including Vice President of Coor in Denmark, Skanska AB and Cap Gemini AB.

Shareholding at closing date: 29,442 shares.

Marcus Karsten
President, Coor in Finland since 2018.

Born: 1966

Education: M.Sc. in Business Administration and Economics, Åbo Akademi University.

Professional experience: CEO of Bravida Finland, CEO of Lemminkäinen Talotekniikka, CEO of Tekmanni Service, Head of Business Unit at Siemens.

Other current directorships: Director of Oy Hedengren AB.

Shareholding at closing date: 15,014 shares.

Changes to the executive management team

Stine Solheim

In the second quarter of 2024, Stine Solheim will take over as President of Coor's Norwegian business. Stine Solheim was previously CEO of Fargerike, which is part of Malorama/Mestergruppen, and has a background in the retail industry where she has worked at companies such as Circle K and Esso/ExxonMobil. She replaces Nikolai Utheim, who left his position in December 2023.

Jenny Lindgren

In August 2023, Jenny Lindgren succeeded Rikard Wannerholt as Senior Vice President Operations Development and Digitalisation.

Magnus Wikström

Magnus Wikström, President of Coor's Swedish operations, stepped down in mid-February 2024. A recruitment process has been initiated to find a permanent replacement and Magnus Wikström will be succeeded by an external interim solution until a permanent replacement has been appointed.

Annual accounts and consolidated financial statements 2023

Statutory annual report

The Board of Directors and Chief Executive Officer of Coor Service Management Holding AB (corp. ID no. 556742-0806) hereby present the following annual accounts and consolidated financial statements for the financial year 1 January 2023 to 31 December 2023.

Directors' Report

All amounts are expressed in millions of Swedish kronor unless otherwise indicated. Due to rounding, some totals may differ from the sum of the individual items. For definitions, objectives and information on the calculation of alternative performance measures, see pages 155–158.

Coor is one of the leading FM providers in the Nordic market. The company's vision is to create the happiest, healthiest and most prosperous workplace environments in the Nordic region. Coor's largest service areas are cleaning, property services, workplace services, and food and beverages. Sustainability is integrated into all aspects of the company, and ongoing reporting is carried out based on targets set in the dimensions of business, social and environmental responsibility.

Coor at a glance

As the leading provider of facility management services, Coor aims to create the happiest, healthiest and most prosperous workplace environments in the Nordic region. Coor offers specialist expertise in workplace services, property services and strategic advisory services. Coor creates value by executing, developing and streamlining our customers' service activities. This enables our customers to do what they do best.

Coor's customer base includes many large and small companies and public sector organisations across the Nordic region, including ABB, Aibel, Alleima, the Danish Building and Property Agency, DNV, DSB, Equinor, ICA, IKEA, Karolinska University Hospital Solna, the Danish Police, Public Prosecution Authority and Prison and Probation Service, PostNord, Saab, SAS, Skanska, Swedbank, Telia Company, Vasakronan and Volvo Cars.

Established in 1998, Coor has been listed on the Nasdaq Stockholm exchange since June 2015. Coor takes responsibility for the operations it conducts, in relation to its customers, employees and shareholders, as well as for its wider impact on society and the environment. Read more at www.coor.com

SIGNIFICANT EVENTS DURING THE YEAR

Acquisitions

In May 2023, Coor completed the acquisition of Skaraborgs Städ, a company with approximately 800 employees and SEK 400 million in annual sales. The company offers workplace FM services with a primary focus on cleaning. The acquisition expands Coor's geographic coverage in Västra Götaland, Värmland and Småland. The integration of the acquisition is proceeding as planned.

Ambitious sustainability targets

In 2023, Coor accelerated its efforts in sustainability and contributed with many innovative solutions to our customers. Coor has committed to reach net zero greenhouse gas emissions by 2040, which is ten years earlier than required for SBTi signatories. The target was validated by SBTi during the year. To reach the target, Coor needs to eliminate greenhouse gas emissions in its own operations and reduce emissions throughout its value chain by 90 per cent compared with the base year 2018.

Coor has zero tolerance for workplace-related injuries and does everything it can to ensure that its employees feel safe at work. During the year, Coor further stepped up its efforts to improve safety, which yielded positive results as the Group's TRIF rate dropped further to reach a new low.

Changes in the contract portfolio

The net change in the contract portfolio for full year 2023 was SEK 85 million. The largest new contracts were those with Swedbank, Locum and ATP Ejendomme. Ended contracts refer primarily to Ericsson in Sweden.

The renegotiation volume for 2023 was approximately SEK 1.7 (2.0) billion. The retention rate for the year was 62 (82) per cent, the low figure being due to the lost Ericsson contract. Excluding Ericsson, the retention rate came in at 88 per cent, with important contract extensions including those with Aibel, Equinor Offshore, Hemsö and MAN.

	2023		2022	
CHANGES IN THE CONTRACT PORTFOLIO	**Number of contracts**	**Annual sales**	**Number of contracts**	**Annual sales**
New contracts during the period	29	620	29	506
Contracts ended during the period	–5	–535	–21	–799
Net change in portfolio	**24**	**85**	**8**	**–294**

Changes in the contract portfolio comprise all contracts with annual sales of over SEK 5 million. For new contracts concluded during the period, the contracted or estimated annual sales volume is indicated. For contracts that were completed during the period, the sales volume for the last 12-month period, in which the full volume of services was provided, is indicated.

Management changes

During the year, Rikard Wannerholt left the role of Senior Vice President Operations Development and Digitalisation and was replaced by Jenny Lindgren, who joined the executive management team on 1 September. At the end of the year, Nikolai Utheim left his role as President of Coor's Norwegian business. He will be replaced by Stine Solheim in the second quarter of 2024.

PERFORMANCE DURING THE YEAR

Financial summary	2023	2022
Net sales	12,443	11,789
Organic growth, %	*2*	*5*
Acquired growth, %	*2*	*9*
FX effects, %	*1*	*3*
Adjusted EBITA	606	634
Adjusted EBITA margin, %	4.9	5.4
EBIT	364	408
EBIT margin, %	2.9	3.5
Profit after tax	155	257
Cash conversion, %	86	94
Number of employees (FTE)	10,648	10,267

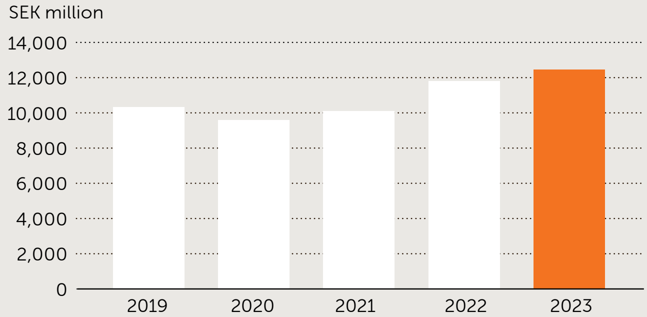
Net sales and profit

Net sales increased by 6 per cent year on year to SEK 12,443 (11,789) million. Organic growth was 2 per cent and growth from acquisitions 2 per cent, while exchange rate effects accounted for 1 per cent.

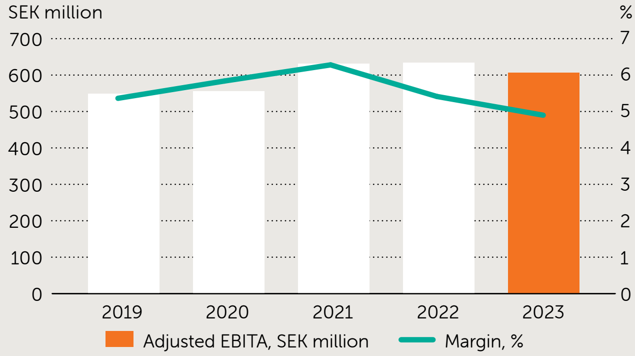
Organic growth was mainly driven by the large IFM contract with the Danish Building and Property Agency, a large number of new medium-sized contracts and increased variable volumes in property services and food and beverages. The ended contracts with Volvo Group and Ericsson had a negative impact on growth.

Acquired growth is attributable to the acquisition of Skaraborgs Städ in Sweden, which was completed on 9 May

Annual net sales



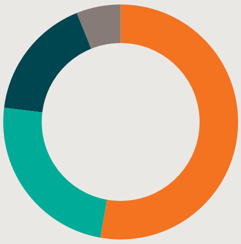
Operating profit (adjusted EBITA) and margin



2023. For further information on acquisitions during the year, see *Note 22 Business acquisitions*.

Operating profit (adjusted EBITA) amounted to SEK 606 (634) million. The operating margin was 4.9 (5.4) per cent. Earnings for the year were negatively affected by the ended contract with Ericsson as well as by increased payroll costs, while new customer contracts and indexing in customer contracts had a positive impact. EBIT for the full year amounted to SEK 364 (408) million. In addition to the change in adjusted EBITA, items affecting comparability increased, while amortisation of customer contracts and trademarks was slightly lower than in the preceding year. Items affecting comparability for the year mainly refer to costs linked to the action programme for margin improvement that was implemented at the end of the year and integration costs for new contracts and the acquisition of Skaraborgs Städ.

Net sales by country



Net sales by type of contract

NET FINANCIAL INCOME/EXPENSE AND TAX

Net financial income/expense and tax	2023	2022
Net interest expense, excl. leases	–115	–59
Interest, leases	–8	–7
Borrowing costs	–5	–3
Foreign exchange differences	0	2
Other	–15	–5
Total net financial expense	**–144**	**–72**
Profit before tax	220	336
Tax	–65	–79
Profit after tax	**155**	**257**

The net financial expense increased on the previous year to SEK –144 (–72) million. The increase compared with the previous year is primarily linked to higher interest rates on liabilities to credit institutions.

The tax expense was SEK –65 (–79) million, which represents 30 (24) per cent of earnings before tax. The higher tax rate compared with the previous year is mainly attributable to higher interest expenses, with limited deductibility in Sweden. Profit after tax was SEK 155 (257) million.

CASH FLOW

Cash flow – summary	2023	2022
Adjusted EBITA	606	634
Depreciation and amortisation	242	217
Net investments	–131	–95
Change in net working capital	12	47
Cash flow for calculation of cash conversion	**728**	**803**
Cash conversion, %	*86*	*94*
Items affecting comparability	–112	–69
Net financial payments	–124	–79
Income tax paid	–50	–80
Other	14	8
Cash flow from operating activities including net investments	**456**	**583**
Acquisition of subsidiaries	**–230**	**–37**
Change in borrowings	480	–150
Repayment, lease liabilities	–168	–148
Dividend	–456	–457
Other	1	–13
Cash flow from financing activities	**–144**	**–767**
CASH FLOW FOR THE YEAR	**82**	**–221**
Cash and cash equivalents at the beginning of the year	484	628
Foreign exchange difference in cash and cash equivalents	–32	77
Cash and cash equivalents at the end of the year	**534**	**484**

Cash conversion

The most important external KPI for cash flow is cash conversion, which is defined as the ratio of a simplified measure of operating cash flow to adjusted EBITDA. Cash conversion for full year 2023 was 86 (94) per cent. Coor always works proactively to secure its cash flow, from both a working capital and an investment perspective. Customer payments are monitored on a daily basis and at a detailed level. The outcome of 86 per cent for 2023 is slightly below Coor's target. The lower outcome is partly attributable the fact that the year ended on a Sunday, which resulted in a slightly higher share of overdue accounts receivable. The company has seen no change in behaviour when it comes to payment patterns.

Acquisition of subsidiaries

During the year, Coor completed the acquisition of Skaraborgs Städ in Sweden. The total effect on cash and cash equivalents was SEK –230 million. For further information on acquisitions during the year, see *Note 22 Business acquisitions.*

Financing activities

Net financial payments were up slightly compared with the previous year, totalling SEK –124 (–79) million. Net external borrowings increased by SEK 480 million during the year. The dividend for the year was SEK 456 (457) million.

FINANCIAL POSITION

Assets	**2023**	**2022**
Intangible assets	4,370	4,202
Property, plant and equipment	469	398
Financial assets	39	102
Total non-current assets	**4,878**	**4,702**
Accounts receivable	1,591	1,511
Other current assets	424	425
Cash and cash equivalents	534	484
Total current assets	**2,549**	**2,419**
TOTAL ASSETS	**7,428**	**7,121**

Equity and liabilities	**2023**	**2022**
Equity	**1,565**	**1,938**
Borrowing, incl. leases	1,535	2,016
Other non-current liabilities	34	36
Total non-current liabilities	**1,569**	**2,052**
Borrowing, incl. leases	1,157	136
Accounts payable	1,177	1,102
Other current liabilities	1,960	1,893
Total current liabilities	**4,293**	**3,131**
TOTAL EQUITY AND LIABILITIES	**7,428**	**7,121**

Key performance indicators	**2023**	**2022**
Net working capital	–1,060	–1,018
Net working capital/net sales, %	–8.5	–8.6
Equity/assets ratio, %	21	27
Leverage, times	2.5	1.9
Net debt		
Liabilities to credit institutions	1,321	848
Bonds	1,000	1,000
Leases, net	369	301
Other	–6	–36
	2,684	**2,113**
Cash and cash equivalents	–534	–484
Net debt	**2,149**	**1,629**

Financial position

The Group has intangible assets, consisting mainly of goodwill, of SEK 3,815 (3,700) million and customer contracts worth SEK 302 (305) million. Goodwill is not amortised, but is tested annually for impairment. Customer contracts are amortised on a straight-line basis over the estimated useful life and are tested for impairment if there are indications of impairment. For further information on intangible assets, see *Note 10 Intangible assets.* The Group has negative net working capital of SEK –1,060 (–1,018) million.

Consolidated net debt at 31 December 2023 was SEK 2,149 (1,629) million. The leverage, defined as net debt to adjusted EBITDA, was 2.5 (1.9) at the end of the year, which is in line with the Group's target of a leverage below 3.0.

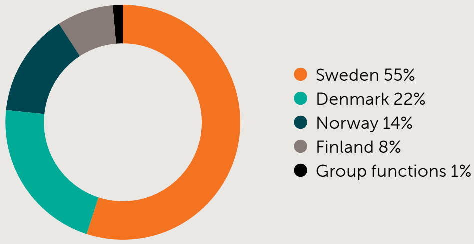
Equity at the end of the year was SEK 1,565 (1,938) million. The Group's equity/assets ratio was 21 (27) per cent. Equity increased during the year due to comprehensive income amounting to SEK 75 (392) million, but decreased due to the dividend paid to the shareholders, which totalled SEK 456 (457) million.

Cash and cash equivalents at the end of the year amounted to SEK 534 (484) million. At the same date, the Group had undrawn credit lines of SEK 420 (650) million.

ORGANISATION AND EMPLOYEES

At the end of the year, the number of employees was 13,156 (12,770), or 10,648 (10,267) on a full-time equivalent basis. The increase on the previous year is mainly due to the acquisition of Skaraborgs Städ. For more information on Coor's employees and on how Coor promotes health and safety and management and employee development, see the section *Employees and diversity*. For information on employee benefit expenses, see *Note 5 Employees and employee benefit expenses*.

Distribution of employees (full-time equivalents) at 31 December 2023



Remuneration of senior executives

The current guidelines for remuneration of senior executives were established at the Annual General Meeting on 29 April 2022, see *Note 6 Remuneration of senior executives.*

Coor in Sweden

New contracts, acquisitions and a focus on sustainability

"Joining the Science Based Targets initiative creates new and stringent requirements for our operations, our services and our suppliers. We have therefore focused on raising the level of knowledge in the organisation and among our suppliers. Together with forward-looking customers and suppliers, we have also developed and improved services that are in line with our environmental ambitions."

Magnus Wikström[1], President of Coor in Sweden, comments on the year

Significant events during the year

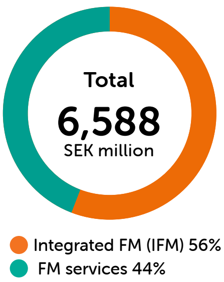
- At the end of August, Coor in Sweden wins a new IFM contract with Swedbank for a broad and integrated service delivery to all of Swedbank's offices in Sweden. The contract runs for four years with an option to extend and is worth around SEK 220 million annually, including estimates for annual variable project volumes.
- Coor signs an agreement to acquire Skaraborgs Städ, which offers workplace FM services with a primary focus on cleaning to a large number of customers in Västra Götaland, Småland and Värmland. The acquisition expands Coor's geographical coverage in Sweden. Skaraborgs Städ has 800 employees and annual sales of around SEK 400 million.
- The Swedish business is compensating for the lost contract with Ericsson through new deals, including the property management contract with Locum for Capio Saint Göran Hospital, the IFM contract with Alstom and the new IFM contract with Swedbank. The acquisition of Skaraborgs Städ is also contributing.

[1] Magnus Wikström, President of Coor's Swedish operations, stepped down in mid-February 2024. A recruitment process has been initiated to find a permanent replacement and Magnus Wikström will be succeeded by an external interim solution until a permanent replacement has been appointed.

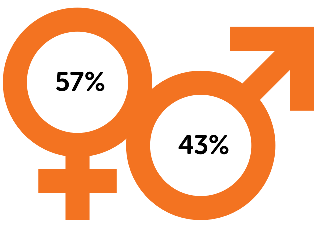
Five largest customers

- ICA
- Karolinska University Hospital in Solna
- SAAB
- Telia Company
- Volvo Cars

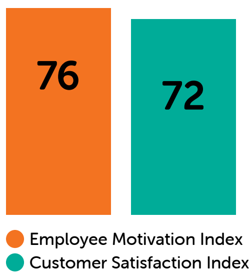
Net sales by type of contract



Gender distribution managers



Employee Motivation Index and Customer Satisfaction Index



Coor in Sweden KPIs

	2023	2022
Net sales	6,588	6,346
Adjusted EBITA	588	627
Adjusted EBITA margin, %	8.9	9.9
Number of employees, FTE	5,871	5,443

Coor in Denmark

Sustainability, new contracts and harmonisation of processes

"Having obtained Nordic Swan Ecolabelling for all staff canteens of the Danish Building and Property Agency, we have set a new Nordic record for the number of Nordic Ecolabelled canteens. Coor now manages 32 of Denmark's 48 Nordic Ecolabelled canteens. With this record, we are sending a strong signal about a new industry standard as Coor-run staff canteens move in an even more eco-friendly direction."

Jørgen Utzon, President of Coor in Denmark, comments on the year

Significant events during the year

- Coor signs a new partnership agreement with the Danish real estate company ATP Ejendomme. Through the collaboration, ATP Ejendomme is offering tailored facility management services to its tenants.
- The Danish business begins a collaboration with Ejendom.com, which through its cloud solution helps companies to increase the sustainability performance of a building while also optimising the value of the building. The new partnership gives Coor's customers access to a digital solution with total transparency on the building's data. Using this data, the customer can also integrate energy labelling and energy use.
- In the second quarter, Coor in Denmark launches a project to secure its expected margins, start its harmonisation journey and prepare for further growth.
- Coor continues its determined efforts to strengthen its leading position in sustainable staff canteens. FOOD by Coor in Denmark now operates a majority of all Nordic Ecolabelled staff canteens in Denmark.

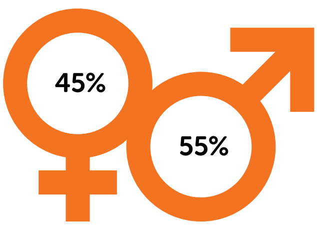
Five largest customers

- Danish Building and Property Agency
- DSB
- MAN
- PKA (Danish Police, Prison and Probation Service and Prosecution Authority)
- Velux

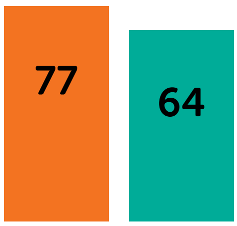
Net sales by type of contract

- Integrated FM (IFM) 61%
- FM services 39%

Gender distribution managers



Employee Motivation Index and Customer Satisfaction Index



- Employee Motivation Index
- Customer Satisfaction Index

Coor in Denmark KPIs

	2023	2022
Net sales	3,023	2,652
Adjusted EBITA	134	109
Adjusted EBITA margin, %	4.4	4.1
Number of employees, FTE	2,320	2,497

Coor in Norway

Focus on sustainability and new and extended contracts

"One of the highlights was when I realised in a meeting with competitors that we at Coor are at the forefront when it comes to making sustainability an integral part of the company. We are 'future-proofing' Coor and all our fantastic employees are contributing. That makes me proud."

Nikolai Utheim, President[1] of Coor in Norway, comments on the year

Significant events during the year

- Coor in Norway wins a five-year contract extension with Aibel. The contract is worth around SEK 200 million over the contract term, not including additional variable project volumes. The contract covers services such as cleaning, reception, restaurant and property management services.
- The year is marked by many new contracts: Drammen Municipality, Technopolis, Studentsamskipnaden i Oslo (SiO) and IKEA.
- During the year, Coor's Norwegian business achieves great success in the food and beverages business area. In 2023, Coor in Norway wins the Matprisen sustainability award in the Commercial Kitchen of the Year category. Coor is given the award for its strong sustainability performance in respect of choice of ingredients and reduction of food waste. Coor in Norway has also received good feedback from the guests through its "Foodback" tool.

Five largest customers

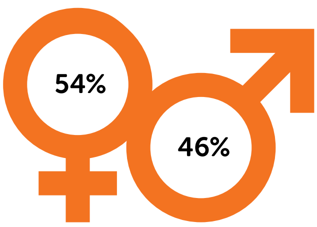
- ABB
- Aibel
- Aker Solutions
- Equinor
- Storebrand

[1] In December 2023, the President of Coor in Norway, Nikolai Utheim, chose to leave Coor after 15 years to take on a new position outside the company. Stine Solheim will take over as President of Coor in Norway in the second quarter of 2024.

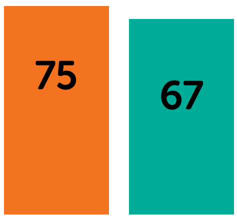
Net sales by type of contract

Integrated FM (IFM) 71%
FM services 29%

Gender distribution managers



Employee Motivation Index and Customer Satisfaction Index



Employee Motivation Index
Customer Satisfaction Index

Coor in Norway KPIs

	2023	2022
Net sales	2,130	2,140
Adjusted EBITA	81	101
Adjusted EBITA margin, %	3.8	4.7
Number of employees, FTE	1,506	1,339

Coor in Finland

A strengthened safety culture and a focus on joint processes

"During the year, we have worked to better and more comprehensively manage information about our employees, including implementing the common HR system People Portal and updating our work routines. Coor's employees are our most valuable resource, which is why this improvement is very valuable to us."

Marcus Karsten, President of Coor in Finland, comments on the year

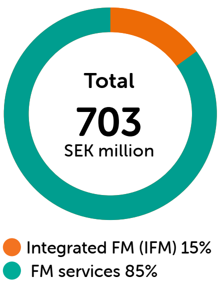
Significant events during the year

- Coor's Finnish business wins several new smaller contracts during the year and also terminates a couple of unprofitable contracts in northern Finland.
- Coor in Finland is doing an excellent job instilling a strong safety culture in the workplace, ensuring that safety is always a key consideration. The key to success is tireless work based on a systematic approach and a strong commitment to safety among the employees.
- Coor in Finland becomes one of the first countries in the Group to launch Coor's common HR system People Portal. When People Portal has been rolled out throughout the Group, the common system and common processes will enable employees in the HR function as well as Coor's managers to operate much more efficiently.

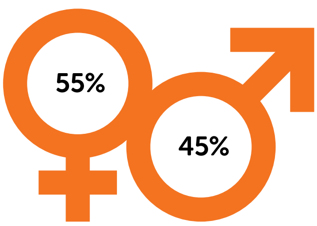
Five largest customers

- Attendo
- Finnish customer in banking sector
- Senate Properties
- Sulzer
- Varma

Net sales by type of contract



Gender distribution managers



Employee Motivation Index and Customer Satisfaction Index

Coor in Finland KPIs

	2023	2022
Net sales	703	653
Adjusted EBITA	16	13
Adjusted EBITA margin, %	2.2	2.0
Number of employees, FTE	805	860

SHAREHOLDERS AND SHARE INFORMATION

Coor was listed on the Nasdaq Stockholm exchange on 16 June 2015. The number of shares is 95,812,022. At year-end, the three largest shareholders were the First Swedish National Pension Fund (AP1) with 8.9 per cent of the share capital and voting rights, Mawer Investment Management with 7.4 per cent and Nordea Funds with 6.6 per cent.

For more share information, see the sections *Coor as an investment*, *Share information* and *Note 15 Share capital and data per share*.

PARENT COMPANY

The Group's parent company, Coor Service Management Holding AB, provides management services to its wholly owned subsidiary Coor Service Management Group AB. The parent company also manages shares in subsidiaries.

Profit after tax in the parent company amounted to SEK 40 (1,303) million. In 2022, the parent company received dividends from subsidiaries of SEK 1,315 million. At year-end, the parent company had total assets of SEK 8,051 (7,934) million. Equity in the parent company amounted to SEK 5,518 (5,925) million. In 2023, the parent company paid a dividend of SEK 456 (457) million to the shareholders.

SUSTAINABILITY REPORT

Coor has prepared a Sustainability Report in accordance with the guidelines of the GRI (Global Reporting Initiative) Standards. This means that the content of the Sustainability Report reflects those issues which the company considers to have the most material impact on people, the environment and the economy. Coor's statutory sustainability report is submitted by the Board but does not form part of the formal annual report documents. The Sustainability Report, in accordance with the Annual Accounts Act, consists of the following pages: 7–11, 18–45, 60, 82–83, 128–149, and 151–153. The Sustainability Statement consists of pages 18–27, 60, 82–83, 128–149, and 151–153. The Sustainability Statement has undergone a review by Coor's auditors, whose opinion is presented on page 150 of this document.

PROPOSED DIVIDEND

The Board of Directors proposes a dividend for 2023 of SEK 3.00 (4.80) per share, comprising an ordinary dividend of SEK 2.40 (2.40) and an extraordinary dividend of SEK 0.60 (2.40). It is proposed that the dividend be paid in two instalments, of SEK 2.40 and SEK 0.60 per share respectively. This represents to a total distribution of SEK 287 million. Refer to the section *Proposed appropriation of retained earnings* for more information.

OUTLOOK

Coor is a market-leading service company operating in a growing market. Coor is generally experiencing strong interest and high demand in the market, and sees interesting business opportunities throughout the Nordic region.

Coor is in a strong financial position after winning many new deals and completing acquisitions. Coor is engaged in many positive dialogues with existing as well as potential customers who need new solutions to streamline, adapt and develop their businesses. Coor believes its prospects to achieve growth, profitability and cash flow in line with our targets over time are good.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

- On 14 February 2024, Coor announced that the company had issued new senior unsecured bonds totalling SEK 1,000 million. The bond issue comprised SEK 500 million in bonds with a tenor of three years, which will carry floating interest of STIBOR 3m plus 1.9 per cent per annum, and SEK 500 million in bonds with a tenor of five years, which will carry floating interest of STIBOR 3m plus 2.3 per cent per annum. The settlement date of the bond issue was 21 February 2024.

Proposed appropriation of retained earnings

The parent company and consolidated income statements and balance sheets will be submitted for adoption at the AGM on 26 April 2024.

The AGM is asked to decide on the appropriation of the following retained earnings in the parent company:

	SEK
Retained earnings including share premium reserve	5,094,210,762
Profit for the year	40,166,230
Total	**5,134,376,992**

The Board of Directors proposes that the above amount be appropriated as follows:

	SEK
Dividend of SEK 3.00 per share to the shareholders	287,436,066
Carried forward	4,846,940,926
Total	**5,134,376,992**

The Board of Directors proposes that the dividend of SEK 3.00 per share, comprising an ordinary dividend of SEK 2.40 per share and an extraordinary dividend of SEK 0.60 per share, be divided into two payments of SEK 2.40 and SEK 0.60 per share respectively.

The Board proposes Tuesday 30 April 2024 as the record date for the first distribution. The Board proposes Friday 4 October 2024 as the record date for the second distribution. The first dividend payment is expected to be paid to shareholders on Monday, 6 May 2024 and the second dividend payment on Wednesday, 9 October 2024.

THE BOARD OF DIRECTORS' STATEMENT ON THE PROPOSED DIVIDEND

In reference to its proposed dividend, the Board of Directors hereby makes the following statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act:

The Board has proposed that the 2024 AGM approve the payment of a dividend of SEK 3.00 per share to shareholders as part of the appropriation of retained earnings. This would result in a total distribution of around SEK 287 million.

The Board has established that the company's restricted equity will be fully covered after the proposed dividend.

The Board also considers the proposed dividend to the shareholders to be justifiable in view of the factors set forth in Chapter 17, Section 3, second and third paragraphs of the Swedish Companies Act (nature, scope and risks of the operations, and consolidation requirements, liquidity and financial position). In reference thereto, the Board would like to state the following.

Nature, scope and risks of the operations

In the Board's assessment, the equity of the company and of the Group after the proposed dividend will be sufficient in view of the nature, scope and risks of the operations. In making its assessment, the Board considered the historical and budgeted performance of the company and of the Group as well as the general economic situation.

Consolidation requirements

The Board has made a comprehensive assessment of the company's and the Group's financial position and of the company's and the Group's ability to fulfil their short-term and long-term obligations. The proposed dividend represents 5 per cent of the company's equity and 18 per cent of the Group's equity.

After the dividend, the company's and the Group's equity/assets ratio will be 65 per cent and 18 per cent, respectively. The company's and the Group's equity/assets ratio is thus good in relation to the industry in which the Group operates. The Board believes that the company and the Group are in a position to take future business risks and also to sustain any losses. The dividend distribution will not impair the company's and the Group's ability to make further commercially motivated investments in accordance with the Board's plans.

Liquidity

It is expected that it will be possible to maintain the company's and the Group's liquidity at a continued satisfactory level. The Board's view is that the proposed dividend will not affect the company's or the Group's ability to meet its payment obligations in the short or long term. The company and the Group have good access to both short-term and long-term credit. The credit facilities can be drawn at short notice, and the Board therefore considers that the company and the Group are well prepared to manage both changes in liquidity and unexpected events.

Other financial circumstances

In addition to what has been stated above, the Board has considered other known circumstances that may be of significance for the financial position of the company and the Group. No circumstance has emerged indicating that the proposed dividend is not justifiable.

For further information on the parent company's and Group's results and financial position, see the following income statements, statements of comprehensive income, balance sheets, statements of cash flow and the notes to the financial statements.

A structured approach to risk

The facility management industry is widely perceived as an industry with relatively low risks. To minimise the risks that exist, Coor engages in structured risk management activities based on mapping, analysis and control.

RISKS TO THE BUSINESS

Coor is exposed to a number of strategic, operational, financial and legal risks. The risks that Coor has identified as being most material along with brief descriptions of how these risks are managed and of developments in 2023 are presented in the table on the next page.

SUSTAINABILITY RISKS

From a sustainability perspective, the Nordic FM industry is perceived as an industry with a relatively low risk profile. In its risk analysis, the company has taken account of sustainability-related risks. Risks related to human rights and corruption have also been addressed but are currently not considered material enough to warrant inclusion in the detailed assessment of the Group's priority risk areas. The areas are discussed continuously to ensure that appropriate measures are implemented and to ensure continued progress. With regard to environmental risks, it should also be noted that the Coor Group only has minor operations that are subject to environmental permit requirements.

A SOPHISTICATED RISK PROCESS

The objective of Coor's risk management activities is to secure the Group's long-term earnings performance and target achievement. Ultimate responsibility for the company's risk management rests with the Group's Board of Directors and management. These activities are guided by a central Group risk policy and risk management process and are based on an annual risk assessment covering all areas of activity. The past year's risk management activities are summarised and discussed by the executive management team and presented to the Board.

In 2023, Coor initiated work on developing the company's process for managing strategic risks. The goal is to strengthen the connection between strategic risks and the Group's overall goals and to ensure more efficient management and monitoring of the risks. This work will also gradually be integrated with the Group's work to ensure compliance with the new EU Corporate Sustainability Reporting Directive (CSRD) and future requirements for increased due diligence throughout the value chain.

RISK ASSESSMENT AT COOR

Coor's risk analysis consists of an annual review in which the key risks are identified. The probability of the identified risks occurring and their consequences are also assessed. The analysis also includes an assessment of the effectiveness of existing controls and measures aimed at minimising and managing the risks. The results are summarised in a risk map for each operating unit, which are then aggregated to Group level.

Risks to the business

Strategic and operational risks

Main risks	Impact (1–5)	Probability (1–5)	Risk management measures	Risk management
Loss of material contracts If a delivery deviates from the agreed services or agreed quality, this can lead to loss of revenue or lost contracts.	4	2	• Structured monitoring of customer contracts at the strategic level. • A focus on HSEQ issues and people engagement to increase employee satisfaction and ultimately also customer satisfaction. • Special unit established for retention of existing contracts. • Coor takes stock of feedback from contracts won and lost in order to further improve our delivery and thus reduce the risk of losing contracts.	Satisfactory management
Cost-benefit analysis risk and contract risk Incorrect cost estimates, poor contract terms or business models can lead to low margins or high contractual risks.	3	3	• Compliance with tendering instructions and risk assessment process, focus on payment authorisations at all levels. • Regular post cost-benefit analyses. • Clear instructions and processes.	Satisfactory management
Information leaks and cyber threats The increasing prevalence of cyber attacks in the world raises the risk that Coor will experience disruptions to its own solutions and/or in the supply chain. In addition to information leaks, ransomware and information theft are the biggest risks in the area.	4	3	• Establishment of a security monitoring centre. • Automated technical protection of computers and user accounts. • Cyber security training (awareness training) for employees. • Management system for information security. • Effective e-mail protection against phishing and malware. • External threat analysis and renewed measurement of compliance with control framework. (CIS20) implemented. • Enhanced governance model.	Satisfactory management
Increased compliance requirements External regulations are becoming increasingly complex and the requirements for compliance and reporting to various authorities increase every year.	2	3	• Increased focus on and resources dedicated to compliance issues, for example through internal training and updating of internal processes • Focus on compliance in customer and supplier contracts • A framework, Coor Compliance Programme, has been established, including steering groups at Group and country level.	Satisfactory management
Negative publicity Poor handling of media attention can lead to negative publicity.	2	2	• Media training. • Stakeholder meetings. • High awareness through ongoing monitoring and evaluation of actions taken.	Good management
Unforeseen events Unforeseen events such as viruses/pandemics can affect the demand for specific services or the ability to deliver.	3	3	• Preparedness with Coor Crisis Team at Group and country level. • Ensuring the Board's involvement. • Ongoing communication internally and externally as required. • Continuous business continuity planning.	Good management
Health and safety risk A poor work environment can lead to mental and physical health problems among employees or third parties. Coor's vision is to achieve zero workplace-related injuries.	2	2	• A systematic approach to preventive health and safety. • Training to increase risk awareness. • Ongoing monitoring and assessment for targeted risk prevention activities. • Safety committee established. • Introduction and review of Life Saving Rules. • New occupational health and safety policy. • Focus on improved safety culture.	Good management
Environmental impact and climate change Environmental incidents, extreme weather and climate change impacting the supply of raw materials, for example, can affect deliveries.	2	3	• Climate goals and climate calculations for reduced emissions and responsible consumption. • The initiation of a double materiality assessment has provided a deeper insight and improved our ability to take mitigating action. • This area is part of the annual strategy process (identification, assessment and risk management measures). • Certified environmental management system (ISO 14001). • Training.	Satisfactory management

Good management · Satisfactory management · Need for improvement

Financial risks

Read more about Coor's financial risk management in Note 16.

Consolidated financial statements

CONSOLIDATED INCOME STATEMENT

	Note	2023	2022
Net sales	2, 3	12,443	11,789
Cost of services sold	3, 4, 5	–11,193	–10,549
Gross profit		**1,250**	**1,241**
Selling expenses	3, 4, 5, 6	–152	–150
Administrative expenses	3, 4, 5, 6, 7	–734	–682
Operating profit		**364**	**408**
Financial income	8	6	4
Financial expenses	8	–150	–76
Net financial expense		**–144**	**–72**
Profit before tax		**220**	**336**
Income tax	9	–65	–79
PROFIT FOR THE YEAR		**155**	**257**
EARNINGS PER SHARE, SEK	15		
Earnings per share, undiluted		1.64	2.70
Earnings per share, diluted		1.64	2.70
DIVIDEND PER SHARE, SEK	15		
Proposed ordinary dividend per share		2.40	2.40
Proposed extraordinary dividend per share		0.60	2.40
TOTAL DIVIDEND PER SHARE, SEK		**3.00**	**4.80**

The notes on pages 88–114 are an integrated part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2023	2022
PROFIT FOR THE YEAR	**155**	**257**
Other comprehensive income		
Items that will not be reclassified to profit or loss	–	–
Items that may be subsequently reclassified to profit or loss		
Translation differences in foreign operations	–55	108
Cash flow hedges	–25	26
Total	**–81**	**134**
Total other comprehensive income for the year, net of tax	**–81**	**134**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**75**	**392**

CONSOLIDATED BALANCE SHEET – ASSETS

	Note	2023	2022
ASSETS			
Non-current assets			
Intangible assets	10		
Goodwill		3,815	3,700
Customer contracts		302	305
Trademarks		46	46
Other intangible assets		207	151
Property, plant and equipment			
Land and buildings	11	4	1
Plant and equipment	11	88	88
Right-of-use assets	12	377	309
Financial assets			
Other non-current receivables	16	25	21
Other financial assets	16	10	42
Deferred tax asset	9	4	39
Total non-current assets		**4,878**	**4,702**
Current assets			
Inventories		29	27
Accounts receivable	2, 13, 16	1,591	1,511
Tax assets	9	7	–
Other receivables		25	19
Prepaid expenses and accrued income	2, 14	363	378
Cash and cash equivalents	16	534	484
Total current assets		**2,549**	**2,419**
TOTAL ASSETS		**7,428**	**7,121**

For pledged assets and contingent liabilities, see *Note 20*.
The notes on pages 88–114 are an integrated part of the consolidated financial statements.

CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES

	Note	2023	2022
EQUITY AND LIABILITIES			
Equity			
Share capital	15	383	383
Other contributed capital		6,709	6,700
Other reserves		57	137
Retained earnings, including profit for the year		–5,584	–5,283
Total equity		**1,565**	**1,938**
Liabilities			
Non-current liabilities			
Borrowings	16	1,321	1,850
Lease liabilities	12, 16	214	166
Deferred tax liability	9	2	9
Provisions for pensions and similar obligations	5	27	25
Other provisions	17	5	2
Total non-current liabilities		**1,569**	**2,052**
Current liabilities			
Borrowings	16	1,000	–
Lease liabilities	12, 16	157	136
Accounts payable	16	1,177	1,102
Current tax liabilities	9	35	29
Other liabilities	18	388	352
Accrued expenses and deferred income	2, 19	1,525	1,502
Other provisions	17	11	10
Total current liabilities		**4,293**	**3,131**
Total liabilities		**5,862**	**5,183**
TOTAL EQUITY AND LIABILITIES		**7,428**	**7,121**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Other contributed capital	Other reserves	Retained earnings, including profit for the year	Total equity
Opening balance, 1 January 2022	**383**	**6,683**	**3**	**–5,066**	**2,003**
Profit for the year	–	–	–	257	257
Total other comprehensive income for the year	–	–	134	–	134
Share-based payments	–	17	–	–	17
Transactions with shareholders					
Share buybacks	–	–	–	–18	–18
Dividend	–	–	–	–457	–457
BS **Closing balance, 31 December 2022**	**383**	**6,700**	**137**	**–5,283**	**1,938**
Opening balance, 1 January 2023	**383**	**6,700**	**137**	**–5,283**	**1,938**
Profit for the year	–	–	–	155	155
Total other comprehensive income for the year	–	–	–81	–	–81
Share-based payments	–	9	–	–	9
Transactions with shareholders					
Dividend	–	–	–	–456	–456
BS **Closing balance, 31 December 2023**	**383**	**6,709**	**57**	**–5,584**	**1,565**

Other reserves refers to translation differences arising from translation of foreign subsidiaries and items recognised in other comprehensive income from the application of hedge accounting. The total translation difference for 2023 was SEK –55 (108) million. The translation difference was negative for all currencies.

For information on share capital and data per share, see *Note 15 Share capital and data per share*. For information on the appropriation of retained earnings for the year, see *page 81*.

The effect which above is included in the line Share-based payments refers to accruals of employee benefit expenses in accordance with IFRS 2.

§ ACCOUNTING PRINCIPLES

Ordinary shares are classified as equity. The dividend proposed by the Board will not reduce equity until it has been approved by the Annual General Meeting.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2023	2022
Operating activities			
IS **Income statement**		364	408
Adjustment for non-cash items		385	380
Interest received		3	2
Interest paid		–109	–67
Financial expenses paid		–18	–14
Income tax paid		–50	–80
Cash flow from operating activities before changes in working capital		**575**	**629**
Increase (–)/decrease (+) in inventories		–1	–9
Increase (–)/decrease (+) in accounts receivable		–41	–119
Increase (–)/decrease (+) in other current receivables		5	–10
Increase (+)/decrease (–) in accounts payable		75	288
Increase (+)/decrease (–) in other current operating liabilities		–27	–102
Cash flow from operating activities		**587**	**676**
Investing activities			
Purchases of intangible assets	3, 10	–95	–61
Purchases of property, plant and equipment	3, 11	–36	–38
Proceeds from sale of property, plant and equipment		1	5
Acquisition of subsidiaries	22	–230	–37
Other items		0	0
Cash flow from investing activities		**–361**	**–131**
Financing activities	16		
Dividend		–456	–457
Proceeds from borrowings	16	500	–
Repayment of borrowings	16	–20	–150
Repayment, lease liabilities	12	–168	–148
Other items		1	–12
Cash flow from financing activities		**–144**	**–767**
Cash flow for the year		**82**	**–221**
Cash and cash equivalents at the beginning of the year		484	628
Foreign exchange difference in cash and cash equivalents		–32	77
BS **Cash and cash equivalents at the end of the year**		**534**	**484**

CASH CONVERSION

	Note	2023	2022
IS **Income statement**		364	408
Depreciation, amortisation and impairment	10, 11, 12	372	373
Adjustment for items affecting comparability	4	112	69
Adjusted EBITDA		**848**	**851**
Net investments in property, plant and equipment and intangible assets [1]		–131	–95
Change in net working capital		12	47
Cash flow for calculation of cash conversion		**728**	**803**
Cash conversion rate, %		**86**	**94**

[1] Net investments including capital gains on the sale of non-current assets.

NON-CASH ITEMS

	Note	2023	2022
Depreciation and amortisation	10, 11, 12	372	373
Change in provisions		4	–3
Proceeds from sale of non-current assets		0	–2
Other		10	12
SCF **Total**		**385**	**380**

SPECIFICATION OF CASH AND CASH EQUIVALENTS

	Note	2023	2022
Cash and bank balances		534	484
BS **Total**		**534**	**484**

§ ACCOUNTING PRINCIPLES

The statement of cash flows has been prepared using the indirect method. The recognised cash flow only comprises transactions resulting in incoming and outgoing payments. Cash and cash equivalents include, in addition to cash and bank balances, short-term financial investments that are exposed to insignificant risk of fluctuations in value, are traded on an open market for known amounts and have a remaining maturity of less than three months from the acquisition date.

Notes to the consolidated financial statements

Note 1. Summary of significant accounting principles

Coor Service Management Holding AB is the parent company of the Group. The parent company is a Swedish limited company with registered office in Stockholm, Sweden. The parent company has been listed on Nasdaq Stockholm since June 2015.

Consolidated financial statements for the financial year ended 31 December 2023 were approved for publication by the Board of Directors on 26 March 2024 and will be submitted for approval by the Annual General Meeting 2024.

The consolidated financial statements of the Coor Service Management Holding AB Group have been prepared in accordance with the Swedish Annual Accounts Act, Recommendation RFR 1 Supplementary Financial Reporting Rules for Corporate Groups of the Swedish Financial Reporting Board, the International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU.

The parent company's functional currency is the Swedish krona, which is also the reporting currency of the parent company and Group. The financial statements are therefore presented in Swedish kronor.

Unless otherwise indicated, all figures are rounded to the nearest million (SEK million). Figures in parentheses refer to the previous year. Due to rounding, some totals may differ from the sum of the individual items.

§ ACCOUNTING PRINCIPLES

How should the Coor Group's accounting principles be read?
General accounting principles and new financial reporting rules are presented below. Other accounting principles which Coor considers to be significant are presented under each note. Unless necessary for the understanding of the content of the note, the repetition of section references is avoided.

Amounts which are reconcilable to the balance sheet, income statement and statement of cash flows are indicated by the following symbols:

IS **Income statement**
BS **Balance sheet**
SCF **Statement of cash flows**

! CRITICAL ASSUMPTIONS

Judgements and estimates in the financial statements
The preparation of financial statements in compliance with IFRS requires the use of critical accounting estimates and judgements. Areas which involve a high degree of judgement, are complex or where assumptions and estimates have a material impact are presented in conjunction with the items they are considered to affect. The table shows where these descriptions are to be found:

Items which are subject to assumptions and judgements	Note
Taxes	Note 9
Measurement of goodwill and other intangible assets	Note 10
Accounts receivable and revenue	Notes 2, 13
Financial risks	Note 16

CHANGES TO ACCOUNTING PRINCIPLES AND DISCLOSURES

a) New and amended standards applied by the Group
Standards which the Group will apply for the first time for financial years beginning on 1 January 2023 are presented below:

- Definition of Accounting Estimates – Amendments to IAS 8
- International Tax Reform, Pillar Two Model Rules – Amendments to IAS 12
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2.

The above amendments had no material impact on the amounts recognised in the consolidated financial statements.

b) New standards and interpretations which have not yet been applied by the Group
A number of new standards and interpretations are effective for financial years beginning after 1 January 2024 but have not been applied in preparing these financial statements. These new standards and interpretations are not expected to have a material impact on the consolidated financial statements.

CONSOLIDATION

The consolidated financial statements comprise the parent company Coor Service Management Holding AB and all subsidiaries in Sweden and abroad. All companies over which the Group has control are classified as subsidiaries.

The consolidated financial statements are prepared in accordance with the purchase method. For information on acquisitions during the year, see *Note 22 Acquisitions*.

Intercompany transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated.

Items included in the financial statements for the various entities of the Group are valued in the currency used in the economic environment in which each entity primarily operates (functional currency). The consolidated financial statements are prepared in Swedish kronor (SEK), which is the functional and reporting currency of the parent company. The financial statements of the Group companies are translated to the Group's reporting currency, SEK. Assets and liabilities in Group companies with a different functional currency than the parent company are translated at the closing rate. Income and expenses in Group companies which have a different functional currency than the parent company are translated at the average exchange rate. The translation difference arising on foreign currency translation is recognised in other comprehensive income. When a foreign operation is divested, such foreign exchange differences are recognised in profit or loss as part of the capital gain or loss.

Note 2. Recognition of revenue

§ ACCOUNTING PRINCIPLES

The Group's reported net sales mainly comprise revenue from sales of services that are provided under the terms of subscription contracts or on a fixed-price or time and materials basis. The services which the Group provides can be divided into workplace services (including cleaning, restaurant, reception, and mail and freight handling services) and property services (including property maintenance and security solutions).

The Group applies the five-step model under IFRS 15 to determine how revenue from each customer contract should be accounted for. Under the five-step model, revenue should be recognised when a customer receives control over the sold good or service and is able to use or obtains a benefit from the good or service. The Group's principal source of revenue is services in which control is transferred to the customer in connection with delivery. The customer receives and consumes the service as it is provided. The Group's revenue is thus recognised as the services are provided.

The Group does not expect to have any significant contracts where the transaction price needs to be adjusted for the effects of a significant financing component.

Revenue from subscription contracts

Subscription contract refers to a contract concluded by the Group for the regular provision of services over an extended period of time. The Group's subscription contracts include integrated FM contracts covering a broad range of services as well as contracts for the provision of a single or small number of combined FM services. To meet the definition of a contract in IFRS 15, call-off orders for subscription services for the month also need to be taken into account.

Each individual customer contract can thus cover several different services (performance obligations) to be provided by Coor. The services are provided to the customers on a daily basis over the term of the contract and the customer receives and consumes the services as they are provided. All performance obligations are satisfied over time and revenue is recognised as the services are provided.

The prices charged for the services which the Group provides under subscription contracts are generally fixed and are based on certain cost drivers, such as the number of employees or floor space. The volume, such as the number of employees or square meters of floor space, varies over time, and there is therefore a significant variable component in the total revenue from the customer. For major customer contracts, variable remuneration may be used. Variable remuneration is only included in recognised revenue to the extent that it is considered likely to accrue to Coor. Invoices are normally issued on a monthly basis in connection with the provision of the services. Exceptions are made for customer contracts under which Coor is responsible for long-term property maintenance. For these contracts, accruals need to be made for a portion of the invoiced revenue, as Coor will not have satisfied its performance obligation at the end of the period.

For major customer contracts, modifications are often made to the contract over time, resulting in changes to prices, volumes or service content. Changes to major customer contracts are made in consultation with the customer according to a defined process.

To meet the definition of a contract in IFRS 15, the subscription contract as well as call-off orders for subscription services for the month need to be taken into account, which means that the term of the contract does not exceed 12 months. The Group therefore does not provide disclosures on future unsatisfied performance obligations for subscription contracts.

Contract revenue

In addition to the subscription contracts which it has entered into with its customers, the Group also enters into call-off arrangements/contracts for services to be provided on an ongoing basis, generally over a relatively short period of time. Such projects are normally billed on a time and materials basis, which means that Coor receives compensation for costs incurred plus an agreed margin. Costs incurred can refer to the number of hours worked and/or purchased materials/services. Invoices are issued on a monthly basis and are based on the costs incurred for the services provided.

The customer obtains control over the service as it is provided, which means that revenue is also recognised as the service is provided.

All contracts linked to contract revenue have an original expected term of no more than one year or are invoiced on a time basis. In accordance with the rules of IFRS 15, no disclosure is made on the transaction price for these unsatisfied obligations.

Revenue by type of contract

The Group's services are provided under customer contracts of two main types:

- IFM (integrated FM contracts) covering a broad range of services and with a strong element of strategic advice.
- FM services (the provision of individual or a small number of combined FM services). The element of strategic advice is limited.

Both contract types may have subscription revenue as well as project revenue features. A breakdown of revenue by the Group's main contract types is presented in the table on the next page.

Revenue by geographical segment

Coor has its registered office in Sweden. Revenue from external customers in Sweden and the breakdown for other countries are shown in the table on the next page.

! CRITICAL ASSUMPTIONS

The Group has certain customer contracts in which a part of the Group's performance obligation consists in long-term property maintenance. This performance obligation is normally included in the monthly subscription invoice that is issued, but at the end of the period the performance obligation had not yet been fulfilled. A portion of the revenue must therefore be recognised on an accrual basis in future periods. To estimate the cost of future property maintenance, management is required to make judgements on a number of parameters. Even if management has detailed maintenance plans at its disposal as a basis for its estimates, such judgements are subject to a degree of uncertainty.

CONTRACT ASSETS AND CONTRACT LIABILITIES

The Group recognises the following assets and liabilities in the balance sheet related to contracts with customers.

	2023	2022
Accounts receivable	1,591	1,511
Accrued income	237	249
Total contract assets	**1,828**	**1,760**
Deferred income	–216	–231
Provision for losses	–3	–
Total contract liabilities	**–219**	**–231**

Accrued income refers partly to subscription revenue under contracts for which the performance obligations have been satisfied but where the invoice is issued at the beginning of the following month and partly to revenue from ongoing projects where the performance obligation has been satisfied but the invoice has not yet been issued.

Deferred income refers partly to subscription revenue under contracts where the invoice is issued in the month before the services are provided and partly to revenue related to performance obligations for long-term property maintenance. For property maintenance, an accrual is made for a portion of the monthly subscription revenue, as Coor will not have satisfied its performance obligation at the end of the period. Revenue is recognised as Coor satisfies its performance obligation under the agreed maintenance plan.

Of total deferred income at 31 December 2022, SEK 177 million was recognised as income in 2023.

BREAKDOWN OF REVENUE FROM CONTRACTS WITH CUSTOMERS

2023	Sweden [1]	Norway	Denmark	Finland [2]	Other	Total
External revenue by segment	6,588	2,130	3,023	703	–1	12,443
Breakdown by type of contract						
IFM contracts	3,658	1,522	1,843	104	0	7,127
FM contracts	2,930	608	1,180	599	–1	5,316
TOTAL	**6,588**	**2,130**	**3,023**	**703**	**–1**	**12,443**

2022	Sweden [1]	Norway	Denmark	Finland [2]	Other	Total
External revenue by segment	6,346	2,140	2,652	653	–1	11,789
Breakdown by type of contract						
IFM contracts	3,653	1,545	1,434	120	0	6,753
FM contracts	2,692	595	1,217	533	–1	5,037
TOTAL	**6,346**	**2,140**	**2,652**	**653**	**–1**	**11,789**

[1] The figure for Sweden includes sales of SEK 160 (182) million for Belgium.
[2] The figure for Finland includes sales of SEK 19 (16) million for Estonia.

Note 3. Segment information

§ ACCOUNTING PRINCIPLES

Operating segments are accounted for in a way that is consistent with the internal reports submitted to the chief operating decision maker. The chief operating decision maker is the function that is responsible for allocating resources and assessing the results of operating segments. In Coor, this function has been identified as the executive management team.

The Group operates in Sweden, Norway, Finland and Denmark and has minor operations in Belgium and Estonia. Management mainly monitors the operations on a country by country basis. The Group's operations in Belgium are organisationally part of the Swedish business and the operations in Estonia are organisationally part of the Finnish business.

The Group's operations comprise a range of workplace and property services as well as related strategic advice. The services are provided under customer contracts of two main types: IFM and single FM services. Priority service areas for provision as single FM services are cleaning, restaurant and property services.

The operations conducted in the various countries are similar in nature but the markets differ somewhat in terms of the breakdown by contract type.

The Group's executive management team assesses the operating segments' results based on a measure called adjusted EBITA. This measure excludes the effects of items affecting comparability, such as restructuring costs, as well as amortisation and impairment charges on intangible assets arising from a business combination (primarily customer contracts and goodwill). Interest income and interest expense are not allocated to the segments, as these are affected by actions taken by the central finance function, which manages the Group's liquidity.

Group functions/other mainly refers to costs for central support functions, such as operational development, business development, the Group finance function and legal services.

The Group's executive management team does not monitor total assets or liabilities on a segment basis. The executive management team analyses the change in net working capital for each segment in connection with its analysis of operating cash flow.

The following segment information has been provided to the executive management team:

GEOGRAPHICAL SEGMENTS

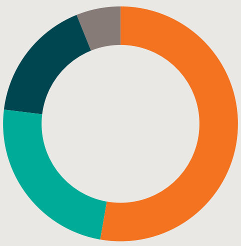
Net sales	2023	2022
Sweden	**6,588**	**6,346**
Total sales	6,679	6,466
Internal sales	–90	–120
Norway	**2,130**	**2,140**
Total sales	2,145	2,150
Internal sales	–15	–10
Finland	**703**	**653**
Total sales	703	653
Internal sales	–	–
Denmark	**3,023**	**2,652**
Total sales	3,026	2,654
Internal sales	–4	–3
Group functions/other	**–1**	**–1**
IS **Total**	**12,443**	**11,789**

Adjusted EBITA	2023	2022
Sweden	588	627
Norway	81	101
Finland	16	13
Denmark	134	109
Group functions/other	–213	–216
Total	**606**	**634**

Adjusted EBITA is reconciled to profit before tax as follows:		
Amortisation and impairment of customer contracts and trademarks (Note 10)	–130	–156
Items affecting comparability (Note 4)	–112	–69
IS Net financial expense	–144	–72
IS **Profit before tax**	**220**	**336**

Adjusted EBITA margin, %	2023	2022
Sweden	8.9	9.9
Norway	3.8	4.7
Finland	2.2	2.0
Denmark	4.4	4.1
Group functions/other	–	–
Total	**4.9**	**5.4**

Net sales by country



In 2023, the Group had no individual customer that accounted for more than 10 per cent of consolidated sales.

OTHER INFORMATION

Investments in non-current assets	2023	2022
Sweden	–28	–15
Norway	–7	–5
Finland	–3	–3
Denmark	–2	–14
Group functions/other	–91	–61
SCF **Total**	**–132**	**–99**

Intangible assets and property, plant and equipment	2023	2022
Sweden	3,402	3,157
Norway	568	619
Finland	182	177
Denmark	484	499
Group functions/other	202	147
Total	**4,839**	**4,599**

Change in net working capital	2023	2022
Sweden	–96	114
Norway	31	–84
Finland	–3	–19
Denmark	80	40
Group functions/other	0	–4
SCF **Total**	**12**	**47**

Net sales by type of contract	2023	2022
IFM	7,127	6,753
FM services	5,316	5,037
IS **Total**	**12,443**	**11,789**

Note 4. Operating expenses

Coor has chosen to present its income statement by function, as this gives a more accurate picture of how the business is managed and monitored. A breakdown of costs by nature of expense is shown below.

Operating expenses by function	2023	2022
IS Cost of services sold	–11,193	–10,549
IS Selling expenses	–152	–150
IS Administrative expenses	–734	–682
Total	**–12,079**	**–11,381**

COSTS BY NATURE OF EXPENSE

Costs by nature of expense	2023	2022
Personnel expenses	–7,333	–6,766
Subcontractors	–2,377	–2,338
Materials	–1,375	–1,323
External services	–405	–381
Depreciation and amortisation	–372	–373
Other operating expenses	–217	–199
Total	**–12,079**	**–11,381**

ITEMS AFFECTING COMPARABILITY

Items affecting comparability are excluded from the measure of operating profit, adjusted EBITA, that management regards as the most relevant metric, as it gives a more accurate picture of the underlying business.

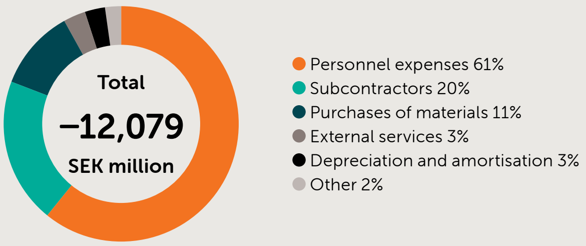
Integration costs refer, for example, to costs for integrating IT systems while restructuring refers to costs related to staff reductions. Acquisition-related costs refer exclusively to transaction costs. Items affecting comparability for 2023 mainly comprise costs linked to the action programme for margin improvement that was implemented at the end of the year and integration costs for new contracts and the acquisition of Skaraborgs Städ.

Reconciliation of adjusted EBITA	2023	2022
IS **Operating profit (EBIT)**	**364**	**408**
Amortisation and impairment of customer contracts and trademarks	130	156
Items affecting comparability	112	69
Adjusted EBITA	**606**	**634**

Items affecting comparability	2023	2022
Integration	–49	–50
Restructuring	–57	–18
Acquisition-related costs	0	0
Other	–5	–1
Total	**–112**	**–69**

Items affecting comparability by function	2023	2022
Cost of services sold	–85	–61
Selling and administrative expenses	–27	–8
Total	**–112**	**–69**

Costs by nature of expense 2023



Note 5. Employees and employee benefit expenses

§ ACCOUNTING PRINCIPLES

TERMINATION BENEFITS

Remuneration in case of termination is paid when an employee's employment has been terminated by the Group before the normal time of retirement or when an employee accepts voluntary redundancy in exchange for such remuneration. The Group recognises severance pay when it is demonstrably obliged either to give notice to employees under a detailed formal plan without possibility of retraction or to provide remuneration on termination as a result of an offer to encourage voluntary redundancy. Benefits expiring more than 12 months after the balance sheet date are discounted to present value.

BONUS PLANS

The Group recognises a liability and a cost for bonuses to employees based on the applicable contracts.

SHARE-BASED PAYMENTS

Coor grants share-based payments to certain employees. These are mainly settled in the form of shares of the company and are known as equity-settled share-based payments. The cost of equity-settled share-based payments is based on the fair value of the share rights at the time when the remuneration programme was introduced. Such remuneration is recognised as an employee benefit expense, which is recognised over the vesting period along with a corresponding increase in equity. To the extent that the vesting conditions for the programme are linked to market conditions, these are taken into account in determining the fair value of the share rights. Performance-based vesting conditions and terms and conditions of service affect the employee benefit expense during the vesting period by changing the number of shares that is ultimately expected to be allocated.

Coor recognises a liability for social security contributions on an ongoing basis for all outstanding share-based payments. The liability is remeasured on an ongoing basis based on the fair value of the share-based payment at the balance sheet date as allocated over the vesting period.

POST-EMPLOYMENT BENEFITS

The Group has a number of pension plans in different countries. Most of the Group's pension plans are defined contribution plans, under which contributions are paid to an authority or other body which then takes over the obligations to the employees. Once the contributions have been paid, the Group has no further payment obligations. Liabilities related to defined contribution plans are expensed in the income statement as they arise. Prepaid contributions are recognised as an asset to the extent that cash repayments or reductions of future payments may accrue to the benefit of the Group.

NUMBER OF EMPLOYEES AND GENDER DISTRIBUTION

Average number of employees	2023 Women	2023 Men	2023 Total	2022 Women	2022 Men	2022 Total
Sweden	3,417	2,363	5,780	3,218	2,297	5,515
Norway	889	566	1,455	835	483	1,319
Finland	475	381	856	537	345	882
Denmark	1,383	1,069	2,452	1,430	1,005	2,435
Other countries	38	78	117	53	38	91
Total	**6,202**	**4,457**	**10,659**	**6,074**	**4,167**	**10,241**

Gender distribution among Directors, CEOs and senior executives

No. at balance sheet date	2023 Women	2023 Men	2023 Total	2022 Women	2022 Men	2022 Total
Directors	4	5	9	4	5	9
CEOs and senior executives	4	6	10	3	8	11
Total	**8**	**11**	**19**	**7**	**13**	**20**

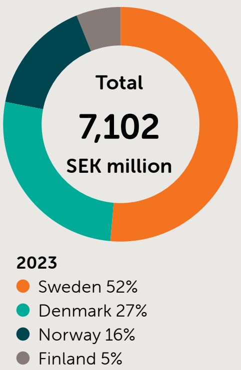
EMPLOYEE BENEFIT EXPENSES

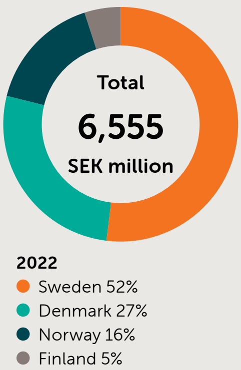
Salaries, other benefits and social security contributions

Employee benefit expenses	2023 Salaries and benefits[1]	2023 *Of which bonuses*	2023 Social security contributions	2023 *Of which retirement benefits*	2023 Total	2022 Salaries and benefits[1]	2022 *Of which bonuses*	2022 Social security contributions	2022 *Of which retirement benefits*	2022 Total
Directors and CEOs	35	*5*	12	*5*	47	36	*7*	13	*5*	49
Other employees	5,262	*29*	1,793	*423*	7,055	4,867	*29*	1,640	*382*	6,506
Total	**5,296**	*34*	**1,806**	*428*	**7,102**	**4,903**	*36*	**1,652**	*387*	**6,555**

[1] Salaries and termination benefits totalled SEK 6 (2) million. Of this amount, SEK 0 (0) million refers to severance pay to CEOs and Directors. The figures for the group Directors and CEOs comprise the remuneration of the Board of Directors of Coor Service Management Holding AB, of the President and CEO of the Group and of the CEOs of all subsidiaries of the Group.

Employee benefit expenses by country*





* Employee benefit expenses for Belgium are included in the figure for Sweden, as Belgium is operationally under Sweden. Employee benefit expenses for Estonia are included in the figure for Finland, as Estonia is operationally under Finland. Employee benefit expenses for Sweden also include costs related to Group functions.

SHARE-BASED REMUNERATION PROGRAMMES

The purpose of Coor's long-term incentive programmes

Coor's long-term incentive programmes (LTIP) are designed to increase and strengthen the company's ability to recruit and retain key individuals and to encourage participants to become long-term shareholders of Coor as a means of aligning the interests of participants and other shareholders. To participate in the programmes, participants are required to invest in Coor shares. By offering an allocation of performance-based share rights that is based on the achievement of defined performance and operational goals, participants are rewarded for increasing shareholder value. The programmes also promote loyalty and long-term value growth in the Group. The Board of Directors is therefore of the opinion that the programmes will have a positive impact on the Group's future performance, thus benefiting both the company and its shareholders. The programmes are aimed at senior executives of the Coor Group: the executive management team (EMT) and top management team (TMT).

Criteria and conditions for participation in the incentive programmes

The incentive programmes cover a period of three years and require that participants acquire or already hold a certain number of Coor shares, known as investment shares. The participants are divided into three different categories, for each of which a maximum number of shares has been defined beforehand. Performance shares are allocated free of charge after the vesting period. The number of shares allocated varies among the different categories of participants.

The basic criteria for allocation of performance shares are that the participant has remained an employee of the Coor Group during the vesting period (except, in limited cases, where proportional allocation has been authorised) and has continued to hold his or her Coor shares over that period. The vesting periods will end in connection with the publication of Coor's interim reports for the first quarter of 2024 (LTIP 2021), 2025 (LTIP 2022) and 2026 (LTIP 2023), respectively. In addition to the employment condition, the allocation of performance shares is based on a number of performance conditions. The allocation of share rights depends on the extent to which the defined goals and performance conditions have been met during the performance period concerned.

Description of performance conditions for the share programmes:
The performance conditions for LTIP 2021, LTIP 2022 and LTIP 2023 are the same, with the exception of series A for which different minimum and maximum levels for allocation apply. See below for a description of the conditions for each series.

Series A: Customer satisfaction index:
If Coor's average customer satisfaction score during the performance period is equal to or below the minimum level of 66 (LTIP 2021) or 68 (LTIP 2022 and LTIP 2023), no shares will be allocated. If Coor's average customer satisfaction score is equal to or exceeds the maximum level of 70 (LTIP 2021) or 72 (LTIP 2022 and LTIP 2023), 100 per cent of the shares will be allocated. The allocation will be adjusted on a proportional basis if the outcome is somewhere between the minimum and maximum levels.

Series B: Cumulative adjusted EBITA:
If Coor's cumulative adjusted EBITA over the performance period is equal to or below the minimum level, defined as 10 per cent below the cumulative adjusted EBITA targeted in Coor's business plan for the three-year period commencing at the start of each programme, no shares will be allocated. If the percentage change in Coor's cumulative adjusted EBITA is equal to or exceeds the maximum level, defined as 10 per cent above the cumulative adjusted EBITA targeted in Coor's business plan, 100 per cent will be allocated. The allocation will be adjusted on a proportional basis if the outcome is somewhere between the minimum and maximum levels.

Series C: Relative total shareholder return (TSR) growth:
The allocation of shares varies depending on Coor's TSR growth relative to the weighted average of a group of other companies (the "Benchmark Group"). If Coor's cumulative TSR growth over the performance period is equal to or below the weighted average index for the Benchmark Group (the minimum level), no shares will be allocated. If Coor's cumulative TSR growth is equal to or exceeds the weighted average index for the Benchmark Group by more than 6 percentage points (the maximum level), 100 per cent will be allocated. The allocation will be adjusted on a proportional basis if the outcome is somewhere between the minimum and maximum levels.

				Number of outstanding share rights	
Number of share rights	**Base value, share price, SEK**	**Number of participants upon allocation**	**Measurement period**	**31 Dec 2023**	**31 Dec 2022**
LTIP 2021	71.0	57	1 Jan 2021–31 Dec 2023	285,990	395,886
LTIP 2022	87.5	54	1 Jan 2022–31 Dec 2024	388,528	380,863
LTIP 2023	47.0	53	1 Jan 2023–31 Dec 2025	511,288	–
Total number of outstanding share rights				**1,185,806**	**776,749**

	LTIP 2021		LTIP 2022		LTIP 2023	
Number of share rights	**Change during the year**	**Accumulated**	**Change during the year**	**Accumulated**	**Change during the year**	**Accumulated**
Outstanding share rights at 1 January 2023	*395,886*		*380,863*		–	
Allocated on issuance		391,830		369,084	483,144	483,144
Allocated compensation, dividend	37,706	72,004	35,445	47,225	28,144	28,144
Allocated*	–	–	–	–	–	–
Forfeited	–147,602	–177,844	–27,781	–27,781	–	–
Total number of outstanding share rights at 31 December 2023	**285,990**	**285,990**	**388,528**	**388,528**	**511,288**	**511,288**

*No share rights were exercisable at the end of the year. No shares were allocated in 2023 (no programme was started in 2020 due to the pandemic). Allocations of shares under LTIP 2021 are expected to be made after the interim report for the first quarter of 2024 is presented.

ACHIEVEMENT OF PERFORMANCE CONDITIONS FOR LTIP 2021

The measurement period for LTIP 2021 ended on 31 December 2023. The table below presents the degree of achievement of the performance conditions. To be allocated shares, participants in the programme must continue to be employed and continue to hold their investment shares until the date of presentation of the interim report for the first quarter of 2024. The allocation of shares is expected to take place shortly after the Annual General Meeting on 26 April 2024.

Achievement of performance conditions for LTIP 2021	**Performance conditions (linear allocation)**	**Performance result**	**Allocation**
Series A – Customer satisfaction index	>64–68	72	100%
Series B – Cumulative adjusted EBITA	SEK 1,571 million–SEK 1,920 million	SEK 1,870m	86%
Series C – Relative total shareholder return (TSR) growth compared with a benchmark group	>0 %–6 %	<0 %	0%

SECURING OF FINANCIAL OBLIGATIONS UNDER LTIP 2021, 2022 AND 2023

To secure the Group's financial obligation under the ongoing incentive programmes, Coor has made share repurchases. At 31 December 2023, Coor held a total of 825,807 treasury shares. The treasury shares were repurchased at an average price of SEK 69.3 per share.

ACCOUNTING OF COST LINKED TO LTIP:

The total cost for outstanding share rights under the incentive programme is expensed over the vesting period with a corresponding increase in equity. The cost for social security contributions is recognised as a liability, as this cost will be paid in cash at the end of the programme.

	Expense for the year before tax		Cumulative pre-tax cost		Liability, social security contributions at balance sheet date	
	2023	2022	2023	2022	2023	2022
LTIP 2019	–	5	19	19	–	–
LTIP 2021	4	8	18	14	4	4
LTIP 2022	3	3	7	3	1	1
LTIP 2023	2	–	2	–	0	–
Total	**9**	**17**	**46**	**36**	**5**	**5**

POST-EMPLOYMENT BENEFITS

Retirement benefit costs recognised in the income statement	2023	2022
Retirement benefits, defined benefit plans	0	0
Retirement benefits, defined contribution plans	428	387
Total	**428**	**387**

Coor makes contributions to pension plans held with Alecta. Alecta's surplus can be distributed to the policy owners and/or insured parties. At the end of 2023, Alecta's surplus, defined as the collective funding ratio, was 158 (172) per cent. The collective funding ratio is defined as the market value of Alecta's assets as a percentage of its commitments to policyholders calculated using Alecta's actuarial assumptions, which do not comply with IAS 19.

Retirement benefit costs recognised in the balance sheet	2023	2022
Endowment policies*	26	23
Retirement benefits, defined benefit plans	1	1
BS **Total**	**27**	**25**
Non-current receivable, endowment policies*	–21	–19
Net total	**6**	**6**

* Coor has taken out endowment policies with a small number of employees as beneficiaries. As it is the employee that is the beneficiary, a pension provision is recognised in the balance sheet along with a non-current receivable equal to the fair value of the endowment policy. A provision has been made for special payroll tax, which will be paid to the Swedish Tax Agency in connection with the payment to the employee.

Retirement benefit costs in the coming year

Expected contributions to post-employment benefit plans for the 2024 financial year amount to SEK 0 (0) million for defined benefit pension plans and SEK 445 (438) million for defined contribution pension plans.

Note 6. Remuneration of senior executives

REMUNERATION OF SENIOR EXECUTIVES

Directors refer to members of the Board of Directors of the parent company in accordance with the resolution of the AGM. For information on the current composition of the Board of Directors, see the section *Presentation of the Board of Directors*.

Executive management team refers to the Chief Executive Officer and the other members of the executive management team. For information on the current composition of the EMT, see the section *Presentation of management*.

Remuneration of the Board of Directors and executive management team	2023	2022
Remuneration of the Board	3.3	3.2
Remuneration of the executive management team	56.0	61.8
Total	**59.3**	**65.0**

REMUNERATION OF THE BOARD OF DIRECTORS – GUIDELINES

Fees are paid to the Chairman and members of the Board of Directors in accordance with the resolution of the general meeting of shareholders. The following tables specify the fees expensed during the year for each Director. For a specification of fees approved by the AGM, see the *Corporate Governance Report*.

	Directors' fee		Fee for committee work		Total	
SEK '000	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Mats Granryd (Chairman)	862	845	150	158	1,012	1,003
Heidi Skaaret	312	302	110	107	422	408
Karin Jarl Månsson	312	203	100	34	412	237
Kristina Schauman	312	302	273	263	585	565
Linda Wikström	312	203	75	51	387	253
Magnus Meyer	312	302	210	165	522	467
Mats Jönsson	–	99	–	24	–	123
Monica Lindstedt	–	99	–	16	–	115
Other members of the Board	–	–	–	–	–	–
Total	**2,421**	**2,352**	**917**	**819**	**3,338**	**3,172**

GUIDELINES FOR REMUNERATION OF SENIOR EXECUTIVES

The executives covered by the guidelines are the CEO and the other members of the executive management team. The guidelines also cover any remuneration of Directors in addition to Directors' fees. Following their adoption by the 2022 AGM, the guidelines apply to new remuneration contracts as well as changes to existing contracts. The guidelines do not cover remuneration that is approved by the general meeting of shareholders. For employment relationships subject to other rules than Swedish rules, necessary adaptations may be made in respect of retirement benefits and other benefits to ensure compliance with mandatory rules or established local practice, provided that the general purpose of the guidelines is adhered to as far as possible.

Promotion of the company's business strategy, long-term interests and sustainability

Simply put, Coor's business strategy is to take over, manage and develop services in offices, at properties and production facilities, and in the public sector (facility management). We aim to run our business in an effective and sustainable manner that creates long-term value for our customers, employees and investors as well as for society at large and the environment. Coor's overall strategies are:

- Growth in integrated facility management.
- Growth in single FM services.
- Customised and flexible delivery model.
- Focus on operational efficiency.
- Nordic focus, with some flexibility to branch out into Europe.

For further information on Coor's business strategy, see Coor's website: https://www.coor.com/investors2/strategy.

To successfully implement its business strategy and further the company's long-term interests, including its sustainability, Coor needs to be able to recruit and retain qualified personnel. To do this, Coor needs to be able to offer a competitive total remuneration package, which these guidelines allow the company to do. The total remuneration should be competitive, in line with market levels and reflect the individual's performance and responsibility and, with regard to any long-term variable remuneration, the appreciation of Coor's shares accruing to the shareholders. Variable cash remuneration that is covered by these guidelines must be aimed at promoting the company's business strategy and long-term interests, including its sustainability.

The company has introduced long-term share-based incentive programmes in which the CEO and other senior executives have been offered to participate. The outcomes of these programmes are not pensionable for the participants. These programmes were approved by the respective AGMs and are therefore not subject to these guidelines. For the same reason, any future share-based incentive programmes adopted by the general meeting of shareholders will not be subject to the guidelines. For more information on performance criteria, conditions and costs for these programmes, see the complete texts of the Board of Directors' proposals to the respective AGMs on Coor's website (*https://www.coor.com/who-we-are/governance/annual-general-meetings*).

Forms of remuneration, etc.

The remuneration of senior executives is to consist of a fixed salary, any variable remuneration, pension and other benefits. In addition, the general meeting of shareholders may, irrespective of these guidelines, resolve to approve share- and share price-based remuneration.

Fixed salary

The fixed salary is to comprise a cash salary. The fixed salary is revised annually for all members of the executive management team. The fixed salary is to be in line with market levels and be determined on the basis of factors such as position, skills, experience and performance.

Variable salary

Any variable salary is to comprise an annual variable cash salary. Variable cash remuneration is to be contingent on the achievement of defined and measurable goals and be capped at 75 per cent of the fixed annual salary. Fulfilment of criteria for disbursement of any annual variable cash salary is to be measured over a period of one year.

The variable cash salary is to be linked to one or several defined and measurable targets, such as consolidated EBITA, increase in net sales in respect of new deals (through organic growth or acquisitions) or cash flow. The targets may to some extent also comprise individual quantitative or qualitative criteria. The weight of each target for variable pay is to be adapted individually for each executive, but EBITA, the increase in net sales in respect of new deals or cash flow must represent at least 60 per cent of the weight for all targets. By linking the senior executives' remuneration to growth, profitability measures and cash conversion, the targets promote the implementation of the company's business strategy and long-term interests, including its sustainability in all three dimensions (business, social and environmental), as well as the executive's long-term development.

When the measurement period for fulfilment of the criteria for payment of variable cash salary has ended, an assessment is to be made of the extent to which the criteria have been fulfilled. In respect of variable cash salary of the CEO, the assessment is to be made by the Remuneration Committee. In respect of variable cash salary of other senior executives, the assessment is to be made by the CEO. In respect of financial targets, the assessment is to be based on the most recent financial information published by the company.

The terms for variable remuneration are to be formulated so that the Board, in the event of exceptional circumstances, is able to limit or refrain from paying variable remuneration if such action is deemed reasonable.

In specific instances, agreements on variable non-recurring remuneration may be concluded, provided that such remuneration does not exceed 25 per cent of the fixed annual salary and is not paid more than once a year to the same individual. Such remuneration is not to be pensionable unless otherwise provided for in mandatory provisions of applicable collective agreements. Decisions on such remuneration are to be made by the Board of Directors based on a proposal submitted by the Remuneration Committee.

No other variable cash remuneration is to be paid.

Pension

For the CEO, retirement benefits are to be regulated by a collective bargaining agreement. Retirement benefits for the portion of an executive's salary that exceeds the maximum limit specified in the collective bargaining agreement are to take the form of defined contribution benefits and may not exceed 30 per cent of the fixed annual salary. Variable salary is not to be pensionable.

For other senior executives, retirement benefits are to take the form of defined contribution benefits unless the executive is covered by a defined benefit pension plan under mandatory provisions of a collective bargaining agreement. Variable salary is to be pensionable. Defined contribution retirement benefits may not exceed 30 per cent of the fixed annual salary.

Other benefits

Other benefits may include benefits such as health insurance and car benefits. The total amount of premiums and other costs incurred for such benefits may not exceed 5 per cent of the fixed annual salary.

Payment of consulting fees to Directors

In specific cases, Coor's AGM-elected Directors may, for a limited period of time, be remunerated for services in their respective areas of expertise that do not constitute Board work. For such services (including services rendered through an entity wholly owned by a Director), a market-based fee is to be paid, provided that such services contribute to the realisation of Coor's business strategy and further Coor's long-term interests, including its sustainability. For each Director, such consulting fees may never exceed two annual Directors' fees per year.

Termination of employment

Severance pay is normally paid in case of termination by the company. The contracts of the members of the executive management team are to be terminable on no more than six months' notice and provide for severance pay of no more than 18 months' fixed salary. No severance pay is to be paid in case of termination by the employee.

Salary and terms of employment

In preparing these proposed remuneration guidelines, the Board of Directors has taken account of salaries and employment terms of the company's employees by including information on employees' total remuneration, the components of the remuneration and its increase and rate of increase over time in the decision basis used by the Remuneration Committee in assessing the reasonableness of the guidelines and the limitations arising therefrom.

Decision-making process for determining, reviewing and implementing the guidelines

The Board of Directors has established a Remuneration Committee. The duties of the committee include preparing the Board's proposed resolutions on guidelines for remuneration of senior executives. The Board is to prepare proposed new guidelines at least every fourth year and submit its proposal for adoption by the AGM. The guidelines are to apply until new guidelines are adopted by the general meeting of shareholders. The Remuneration Committee is also to monitor and evaluate the variable remuneration programme for management, the application of guidelines for remuneration of senior executives and the applicable remuneration structures and remuneration levels in the company. The members of the Remuneration Committee are independent of the company and management. During the preparation of and decisions on remuneration-related matters by the Board, the CEO or other members of the executive management team are not to be present, insofar as they are affected by the matters concerned.

Deviation from the guidelines

The Board may decide temporarily to deviate, wholly or partially, from the guidelines adopted by the general meeting of shareholders if in an individual case there are special reasons for doing so and such deviation is necessary to safeguard the long-term interests of the company, including its sustainability, or to ensure the company's financial capacity. As stated above, it is part of the duties of the Remuneration Committee to prepare the Board's resolutions on remuneration matters, which includes resolutions on deviations from the guidelines.

REMUNERATION OF THE CEO AND EXECUTIVE MANAGEMENT TEAM – 2023

2023	Basic salary	Variable remuner-ation	Share-based payments	Other benefits	Retire-ment benefit costs	Severance pay	Other remunera-tion	Total
Remuneration of the CEO								
AnnaCarin Grandin	7.9	2.3	1.4	0.1	2.2	–	–	13.9
Remuneration of rest of executive management team								
Rest of executive management team, 10 persons	26.2	5.3	2.4	1.5	5.6	1.1	–	42.1
Total	**34.0**	**7.6**	**3.8**	**1.6**	**7.8**	**1.1**	**–**	**56.0**

REMUNERATION OF THE CEO AND EXECUTIVE MANAGEMENT TEAM – 2022

2022	Basic salary	Variable remu-neration	Share-based payments	Other benefits	Retire-ment benefit costs	Severance pay	Other remu-neration	Total
Remuneration of the CEO								
AnnaCarin Grandin	7.6	2.2	1.7	0.1	2.2	–	–	13.8
Remuneration of rest of executive management team								
Rest of executive management team, 10 persons	27.5	7.9	5.1	1.0	6.6	–	–	48.0
Total	**35.2**	**10.1**	**6.7**	**1.0**	**8.8**	**–**	**–**	**61.8**

Share-based payments to the CEO and executive management team

At 31 December 2023, the current CEO AnnaCarin Grandin held 183,402 (114,603) outstanding share rights under the Group's LTIP 2021, LTIP 2022 and LTIP 2023 incentive programmes. The other members of the executive management team held 347,312 (259,832) share rights at 31 December 2023.

For more information on the Group's incentive programmes, see the section Share-based payments in *Note 5*. The cost for the year linked to LTIPs for the CEO and the EMT is presented in the table above under Share-based payments.

	LTIP 2021		LTIP 2022		LTIP 2023	
Number of share rights	AnnaCarin Grandin	Other senior executives	AnnaCarin Grandin	Other senior executives	AnnaCarin Grandin	Other senior executives
Allocated on issuance	54,000	128,750	54,000	125,000	70,200	134,000
Outstanding at 1 January 2023	**58,879**	**130,843**	**55,723**	**128,989**	**–**	**–**
Allocated compensation, dividend	5,856	11,890	5,542	10,909	4,089	7,806
Allocated*	–	–	–	–	–	–
Forfeited	–16,887	–54,504	–	–22,621	–	–
Total number of outstanding share rights at 31 December 2023	**47,848**	**88,228**	**61,265**	**117,278**	**74,289**	**141,806**

* In 2023, no allocations were made under any of the incentive programmes. Allocations of shares under LTIP 2021 are expected to be made in April/May 2024.

Pensions and other benefits

The CEO and all senior executives are covered by an ITP supplementary pension plan solution (or an equivalent solution in other countries). In addition to this, the CEO has the right to pension contributions of 30 per cent for that part of his salary which exceeds 30 income base amounts. In addition to the CEO, two senior executives are entitled to pension contributions of 30 per cent of that portion of their salary which exceeds 30 income base amounts and two senior executives are entitled to pension contributions of 20 per cent of that portion of their salary which exceeds 30 income base amounts, in addition to the normal ITP solution. There is no contractual retirement age for the CEO or other senior executives, which means that the retirement age is subject to the local rules which apply in each country.

Note 7. Audit fees

Audit fees	2023	2022
PwC		
Audit engagement	7	6
Audit services in addition to the audit engagement	–	–
Tax advisory services	0	0
Other services	0	1
Total	**7**	**7**

Audit fees paid to other audit firms were SEK 0 (0) million.

Audit engagement refers to the examination of the annual accounts, annual report and accounting records and of the Board of Directors' and CEO's management of the company, other tasks incumbent on the company's auditor as well as advice and other assistance occasioned by observations made in the course of such examination or the performance of such other tasks. Everything else is defined as other services.

Note 8. Financial income and expenses

Net financial income/expense in the income statement	2023	2022
Financial income		
Interest income	4	1
Foreign exchange differences	0	2
Other financial income	1	–
IS **Total**	**6**	**4**
Financial expenses		
Interest expense	–119	–60
Interest expense, leases	–8	–7
Foreign exchange differences	–1	0
Other financial expenses	–22	–8
IS **Total**	**–150**	**–76**
Total net financial expense	**–144**	**–72**

Interest expense refers mainly to interest on bank loans and bonds as well as lease-related interest. Foreign exchange differences refer principally to results of the revaluation of cash and cash equivalents in foreign currency. The Group only has loans in SEK. Other financial expenses refer mainly to borrowing costs and bank charges. The expense incurred in connection with the raising of loans is allocated over the term of the loan.

See also *Note 16 Borrowing and financial risk management* for more information on borrowing and financial risks.

Note 9. Taxes

§ ACCOUNTING PRINCIPLES

The Group's tax expense comprises current and deferred tax. Tax is recognised in profit or loss, except when the tax refers to items which are recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or equity.

Current tax is calculated on the taxable profit for the period based on the applicable tax rules in the Group's countries of operation. Current tax also includes adjustments related to reported current tax in previous periods.

Deferred tax is calculated on temporary differences between the carrying amounts and tax bases of assets and liabilities. Deferred tax is also recognised for tax losses to the extent that it is probable that these can be used to offset future taxable profits. The measurement of deferred taxes is based on the nominal amounts and the tax rates that have been enacted at the balance sheet date. Deferred tax is not calculated for the initial recognition of goodwill or on the initial recognition of an asset or liability, provided that the asset or liability does not relate to an acquisition.

Tax assets and tax liabilities are offset if there is a legally enforceable right to set off the recognised amounts. A legally enforceable right of set-off has been deemed to exist when the tax assets and tax liabilities relate to taxes levied by the same taxation authority and refer either to the same taxable entity or to different taxable entities and there is an intention to settle the balances on a net basis.

! CRITICAL ASSUMPTIONS

The reporting of income tax, value-added tax and other taxes is based on the applicable rules, including practice, instructions and legislation, in the Group's countries of operation. Due to the general complexity of these issues, the application, and thus also the financial reporting, is in some cases based on interpretations, and estimates and judgements of possible outcomes. On complex issues, the Group engages the assistance of external experts to assess possible outcomes based on current practice and interpretations of applicable regulations.

In the Group, significant tax losses exist in Finland and Sweden. In Sweden, there are no time limitations on the use of tax losses. In Finland, tax losses must be used within a ten-year period from when they arise. In Finland, a deferred tax asset arising from tax losses has only been recognised to the extent that it can be offset against the deferred tax liability attributable to Finland. This is due to the uncertainty that exists with regard to the possibility of using the tax losses against taxable profits within the ten-year time limit. In Sweden, it has been deemed that it will be possible to use all tax losses against future taxable profits. All tax losses have therefore been recognised as a deferred tax asset.

The assessment of how large a portion of the tax losses it will be possible to use is made in connection with the impairment test of goodwill, see *Note 10 Intangible assets* for more information.

APPROACH TO TAX

The companies in the Coor Group pay several types of tax, primarily employee-related taxes, value-added tax and income tax. Political decisions resulting in changes to tax laws or their interpretation could lead to a changed tax situation for Coor.

The key elements of Coor's tax policy are as follows:

- Coor strives to ensure that the right tax is paid in all its countries of operation.
- Coor continuously monitors changes in laws and case law to ensure that tax is managed in accordance with applicable laws and regulations.
- The evaluation of tax management should be integrated into the company's business decisions and general risk management.
- Coor does not acquire businesses to obtain tax advantages but because they fit into Coor's business model. Coor adheres to applicable laws and regulations when making acquisitions.
- Cross-border intercompany transactions must be made at arm's length and pricing must follow OECD guidelines.
- Coor should take an ethical, legal and commercial approach to its tax expense but should not act in grey areas or engage in aggressive tax planning.
- Coor's contacts with the tax authorities in each country should be characterised by openness and transparency. In cases where regulations are unclear or ambiguous, Coor should seek to interpret the spirit of the law and act proactively and transparently by making open claims, applying for preliminary rulings or entering into dialogue with the tax authority.
- Coor's tax policy must be revised annually and approved by the Audit Committee.

TAX EXPENSE IN INCOME STATEMENT

Tax expense (–), tax income (+)	2023	2022
Current tax	–57	–44
Deferred tax	–8	–35
IS Total	**–65**	**–79**

Tax attributable to components in other comprehensive income was SEK 7 (–7) million.

DIFFERENCE BETWEEN REPORTED TAX EXPENSE AND TAX EXPENSE BASED ON THE APPLICABLE TAX RATE

The difference between the reported and calculated tax expense is explained below. The estimated tax expense is based on the profit before tax in each country multiplied by the country's tax rate.

Difference between reported tax expense and tax expense based on the applicable tax rate

	2023	%	2022	%
IS Reported profit before tax	**220**		**336**	
IS Tax expense	**–65**	*–30*	**–79**	*–24*
Calculated tax expense	–47	*–21*	–70	*–21*
Difference	**–18**	*–8*	**–9**	*–3*
Use of previously unrecognised tax losses	–3	*–1*	–1	*–0*
Tax effect of non-deductible expenses less non-taxable income	21	*9*	9	*3*
Other effects	0	*0*	0	*0*
Total	**18**	*8*	**9**	*3*

The weighted average tax rate was 21 (21) per cent and the effective tax rate 30 (24) per cent.

Non-deductible expenses/non-taxable income

The Group's non-tax-deductible expenses are primarily attributable to the Swedish rules on limitation of interest deductibility that came into force in 2019.

DEFERRED TAX LIABILITY AND TAX ASSET IN THE BALANCE SHEET

In those countries where the Group has several legal entities and it is possible to offset tax liabilities and tax assets between legal entities through the use of Group contributions, deferred tax assets and liabilities are recognised on a net basis for each country.

Deferred tax by country, net	2023	2022
Deferred tax asset		
Sweden	4	39
Denmark	0	–
Finland	0	–
BS Total deferred tax asset	**4**	**39**
Deferred tax liability		
Norway	2	5
Denmark	–	4
Finland	–	0
BS Total deferred tax liability	**2**	**9**
Net deferred tax	**2**	**30**

SPECIFICATION OF CHANGE IN DEFERRED TAX LIABILITY/TAX ASSET

2023	Goodwill arising from asset acquisitions	Tax losses	Cash flow hedge	Customer contracts and trademarks	Lease liabilities*	Right-of-use assets*	Other	Total
At 1 January 2023	**–6**	**96**	**–8**	**–64**	**66**	**–65**	**10**	**30**
Recognised in profit or loss	–4	–33		24	–35	36	4	–8
Recognised in other comprehensive income	–	–	7	–	–	–	–	7
Acquired companies	–	–	–	–26	–	–	–	–26
Foreign exchange differences	–	–	–	–1	–	–	1	0
Other	–	–	–	–	50	–50	–	0
At 31 December 2023	**–10**	**64**	**–2**	**–67**	**81**	**–79**	**16**	**2**

2022	Goodwill arising from asset acquisitions	Tax losses	Cash flow hedge	Customer contracts and trademarks	Lease liabilities*	Right-of-use assets*	Other	Total
At 1 January 2022	**–1**	**141**	**–2**	**–88**	**65**	**–63**	**24**	**76**
Recognised in profit or loss	–4	–45	–	29	–30	30	–14	–35
Recognised in other comprehensive income	–	–	–7	–	–	–	–	–7
Acquired companies	–	–	–	–4	–	–	–	–4
Foreign exchange differences	–	0	–	–1	–	–	0	–1
Other	–	–	–	–	32	–32	–	–
At 31 December 2022	**–6**	**96**	**–8**	**–64**	**66**	**–65**	**10**	**30**

* A clarification is made in IAS 12, which states that deferred tax arising from lease liabilities and right-of-use assets should be recognised on a gross basis. The comparative figures for the previous year have therefore been adjusted.

Of the above net asset related to deferred tax, the Group estimates that SEK –9 (–21) million will be used within a 12-month period. In this amount, that portion of the Group's reported tax losses that will be used in the coming year has been excluded.

TAX LOSSES

The Group has tax losses of SEK 72 (112) million, of which SEK 64 (96) million has been recognised in the balance sheet. All tax losses attributable to Sweden have been recognised in the balance sheet while tax losses attributable to Finland have been recognised only to the extent that there exists an equivalent deferred tax liability.

Tax losses at 31 Dec 2023	Total	Of which recognised in balance sheet
Sweden	64	64
Finland	9	–
Total	**72**	**64**

CURRENT TAX LIABILITY/TAX ASSET

The current tax liability at 31 December 2023 was SEK 35 (29) million and the current tax asset SEK 7 (0) million.

OECD PILLAR TWO MODEL RULES

The Group is covered by the OECD Pillar Two Model Rules. Legislation on Pillar Two has been adopted in Sweden, where Coor Service Management Holding AB is based, and will become effective on 1 January 2024. As the Pillar Two legislation had not become effective on the balance sheet date, the Group has no related current tax exposure. The Group applies the exception to the accounting and disclosure of deferred tax assets and liabilities related to Pillar Two income taxes (as specified in the amendments to IAS 12 issued in May 2023). The Group is currently evaluating its exposure to Pillar Two legislation when it becomes effective. Due to the complexity of the legislation, it is difficult to assess the quantitative effects with certainty, but the initial evaluation based on the year 2022 indicates that the Group will not be liable to pay additional tax in any jurisdiction.

VALUE-ADDED TAX (VAT)

Companies in the Coor Group pay output VAT on essentially all sales to customers and receive a deduction for input VAT on supplier invoices (where there is no limitation on deductibility under local rules). As Coor is engaged in labour-intensive business activities, the company pays significant amounts of VAT to the tax authority in each country every month. On a net basis, Coor paid SEK 1,799 (1,618) million in VAT during the year.

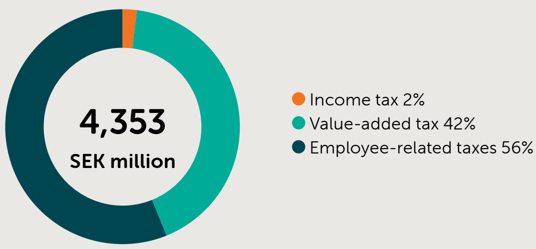
EMPLOYEE-RELATED TAXES

Employers in Sweden pay 31.42 per cent in social security contributions based on salaries and 24.26 per cent in payroll tax on pension premiums. In addition, withholding tax is deducted from employees' salaries and paid to the Swedish Tax Agency. In other countries where Coor operates the local regulations are slightly different, but employee-related taxes are paid in some form in each country. In total, Coor's businesses generated SEK 2,503 (2,275) million in employee-related taxes during the year.

SUMMARY OF TOTAL TAX PAYMENTS

In total, Coor's businesses generated SEK 4,353 (3,973) million in taxes of various types in 2023, broken down as shown below.

Total taxes paid in 2023



Note 10. Intangible assets

ACCOUNTING PRINCIPLES

GOODWILL

Goodwill arises in connection with business combinations and consists of the amount by which the cost exceeds the fair value of the acquired net assets.

Goodwill has an indefinite useful life. It is therefore not amortised but is tested annually for impairment.

Goodwill is allocated to those cash-generating units which are expected to benefit from the business combination that gave rise to the goodwill item. For Coor, the cash-generating units are the same as the Group's operating segments. This allocation constitutes the basis for the annual impairment test.

In the annual impairment test, the carrying amounts of the cash-generating units are compared with the recoverable amounts. The recoverable amount is determined by discounting future cash flows for the cash-generating unit based on the Group's business plan, which covers a three-year period. Cash flows beyond the three-year period are extrapolated based on the business plan and an assumption about future sustainable cash flow. If the carrying amount of an asset or cash-generating unit is less than the recoverable amount, the asset is written down to the recoverable amount. Impairment losses on goodwill are never reversed.

CUSTOMER CONTRACTS

Customer contracts which have been identified as intangible assets in connection with a business combination are recognised at fair value at the acquisition date by discounting the expected future after-tax cash flow. Subscription sales and additional sales are taken into account. Management also makes an estimate of the likely number of contract renewals.

The customer contracts have a determinable useful life covering the remaining term of the contract and estimated contract renewal periods. The contracts are recognised at cost less accumulated amortisation and are amortised on a straight-line basis so that the cost for the customer contracts is distributed over their estimated useful lives. The carrying amount is tested for impairment when there are indications that the carrying amount is less than the recoverable amount. Previously recognised impairment losses are reversed if the reasons for the impairment loss have ceased to exist.

Customer contracts that have been recognised and measured in connection with an acquisition have a remaining useful life of one to ten years.

TRADEMARKS

Trademarks that have been identified as intangible assets in connection with a business combination are recognised at fair value at the acquisition date. Trademarks which the company considers to have a lasting value and which are therefore considered to have indefinite useful lives are not amortised. Such trademarks are instead tested annually for impairment based on the same principle as for goodwill. Other trademarks are amortised over their useful life, which is estimated at three years.

OTHER INTANGIBLE ASSETS

Other intangible assets mainly comprise software and licences.

Acquired software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Development expenditure directly attributable to the development and testing of identifiable and unique software products which are controlled by the Group is accounted for as an intangible asset to the extent that the products are expected to generate economic benefits. Other development costs are expensed as incurred.

Capitalised software and licences are amortised over their useful life, which is estimated at three to five years.

CRITICAL ASSUMPTIONS

IMPAIRMENT TESTING OF GOODWILL

In connection with the annual impairment test of goodwill, the recoverable amount is estimated. The calculation is based on the Group's three-year business plan, which constitutes management's best estimate of the future performance of the business. The business plan includes critical assumptions and judgements, of which the most significant are those relating to forecasts for organic growth and margin growth.

– Forecasts for organic growth

Growth is achieved partly through additional sales to existing customers and partly through sales to new customers. Assumptions on new sales are based on the company's historical experience and take account of ongoing and coming procurements.

The expected future sustainable cash flow beyond the planning horizon of the business plan is extrapolated using an assumed sustainable growth rate of 2 (2) per cent.

– Profit margin growth

The most significant cost components in the Group's operations are remuneration of employees and the cost of engaging subcontractors. Estimates for these cost components therefore have a material impact on the Group's margins. To achieve and maintain a satisfactory EBITDA margin, the Group is dependent on being able to implement continuous operational efficiencies with the aim of offsetting increases in cost. Estimates of future margins are based on historical experience of operational efficiencies.

– Discount rate

The discount rate used is the relevant weighted average cost of capital (WACC) for the markets in which the Group operates. WACC is calculated based on a debt structure comprising 20 per cent loans and 80 per cent equity. The after-tax discount rate for 2023 was 8.6 (7.9) per cent in all entities. The Group has not deemed that the risks differ materially among the various Nordic countries and has therefore applied the same WACC in calculating value in use. In the sensitivity analysis, management has assessed whether an increase in WACC would result in impairment.

The Group has chosen to use an after-tax WACC in the impairment tests, as the cash flow figure used in the Group's impairment tests is measured after tax and because WACC after tax is a more relevant measure for understanding the impairment test. The estimated pre-tax WACC would have been 10.4 (9.5) per cent.

– Sensitivity analysis

The following sensitivity analyses of the calculation of value in use made in connection with the impairment test have been performed, on an assumption by assumption basis:

- A general decrease of 1 per cent in the operating margin after the forecasting period
- A general increase of 1 per cent in WACC
- A general decrease of 1 per cent in future sustainable cash flow

In 2023, the recoverable amount for the Coor Group's operations exceeded the carrying amount for all segments, which means that no impairment existed. Management has also tested whether there still exists an excess based on the above changes in critical assumptions. As the excess varies from one segment in the Group to another, the segments have differing degrees of sensitivity to changes in the above assumptions.

The conclusion from the sensitivity analyses is that a decrease of 1 percentage point in any of the above parameters would give rise to impairment in the Finnish business. The sensitivity analyses did not indicate any impairment in the other cash-generating units.

VALUATION OF CUSTOMER CONTRACTS

In connection with the acquisition of certain subsidiaries, intangible assets relating to customer contracts were identified in preparing the purchase price allocation. In many cases, no quoted prices are available for these assets. It is therefore necessary to use various measurement techniques that are based on several different assumptions. The most significant assumptions used as a basis for the valuation of customer contracts are the current WACC, the expected number of contract renewals and expected future margins for the contract. The assessment of value in use for customer contracts is strongly influenced by renegotiations with customers, which take place on an ongoing basis. In its initial valuation of the customer contracts, the Group has based its estimate on the assumption that a certain number of contracts will be renewed at a certain volume and margin.

As at the closing date, there were in management's view no indications of impairment of those customer contracts for which a carrying amount has been recognised in the balance sheet.

	Goodwill		Customer contracts		Trademarks		Other intangible assets	
Intangible assets	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Opening cost	4,041	3,922	1,156	2,392	49	59	388	336
SCF Investments	–	–	–	–	–	–	95	61
Acquired businesses	154	32	124	18	4	–	1	–
Sales and disposals	–	–	–700	–1,296	–	–11	–56	–9
Reclassifications	–	–	–	–	–	–	–	–
Translation differences for the year	–39	87	–5	43	0	1	0	1
Closing accumulated cost	**4,155**	**4,041**	**575**	**1,156**	**53**	**49**	**428**	**388**
Opening amortisation and impairment	–341	–313	–852	–1,956	–4	–10	–237	–208
Sales and disposals	–	–	700	1,296	–	11	56	9
Amortisation for the year	–	–	–111	–152	–4	–4	–39	–37
Impairment for the year [1]	–	–	–14	–	–	–	–	–
Reclassifications	–	–	–	–	–	–	–1	–
Translation differences for the year	1	–28	4	–39	0	–1	0	–1
Closing accumulated amortisation and impairment	**–340**	**–341**	**–273**	**–852**	**–8**	**–4**	**–221**	**–237**
BS Closing carrying amount	**3,815**	**3,700**	**302**	**305**	**46**	**46**	**207**	**151**

1) Refers to an impairment loss related to the Swedish business.

	Goodwill		Customer contracts		Trademarks		Other intangible assets	
Intangible assets	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Specification of amortisation and impairment by function								
Cost of services sold	–	–	–126	–152	–4	–4	–39	–37
Administrative expenses	–	–	–	–	–	–	0	0
Total amortisation and impairment	**–**	**–**	**–126**	**–152**	**–4**	**–4**	**–39**	**–37**

The allocation of intangible assets to the Group's cash-generating units is as follows:

	Goodwill		Customer contracts		Trademarks		Other intangible assets	
Breakdown by segment	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Sweden (incl. Group functions)	2,786	2,632	282	254	46	45	206	151
Norway	506	542	17	30	0	0	0	–
Finland	136	136	–	0	–	–	1	1
Denmark	387	389	3	22	–	–	–	–
BS Total	**3,815**	**3,700**	**302**	**305**	**46**	**46**	**207**	**151**

Note 11. Property, plant and equipment

ACCOUNTING PRINCIPLES

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment. Cost does not include additional expenditure directly attributable to the acquisition of the asset. Repairs and maintenance are recognised as expenses in the income statement in the period in which they are incurred.

Property, plant and equipment are depreciated systematically over the asset's estimated useful life, down to the estimated residual value. If there are indications of impairment of an item of property, plant and equipment at the closing date, the item is tested for impairment.

Estimated useful lives

Buildings	25–40 years
Plant and machinery	5–15 years
Equipment, tools, fixtures and fittings	5–10 years

	Land and buildings		Plant and equipment	
Property, plant and equipment	**2023**	**2022**	**2023**	**2022**
Opening cost	**4**	**6**	**316**	**324**
SCF Investments	2	–	34	38
Acquired businesses	6	–	7	1
Sales and disposals	–	–2	–24	–58
Reclassification	–	–1	0	0
Translation differences for the year	0	0	–4	12
Closing accumulated cost	**12**	**4**	**330**	**316**
Opening depreciation and impairment	**–3**	**–5**	**–228**	**–239**
Sales and disposals	–	1	23	55
Depreciation for the year	0	0	–33	–34
Acquired businesses	–4	–	–7	–1
Reclassification	–	1	–	–1
Translation differences for the year	0	0	4	–8
Closing accumulated depreciation and impairment	**–8**	**–3**	**–242**	**–228**
BS **Closing carrying amount**	**4**	**1**	**88**	**88**

	Land and buildings		Plant and equipment	
Property, plant and equipment	**2023**	**2022**	**2023**	**2022**
Specification of depreciation and impairment by function				
Cost of services sold	0	0	–33	–33
Administrative expenses	–	–	–1	–1
Total depreciation and impairment	**0**	**0**	**–33**	**–34**

Note 12. Leases

ACCOUNTING PRINCIPLES

Accounting as lessee:
All assets and liabilities related to leases where Coor is a lessee are recognised in the balance sheet. Exceptions are made for low-value assets and leases with a term of less than 12 months, for which lease payments are recognised as expense on a straight-line basis over the term of the lease.

The leases are recognised as right-of-use assets with corresponding lease liabilities on the day when the leased asset is available for use by the Group. The asset and liability are measured at present value at the start of the lease.

The value of the lease liability mainly consists of fixed lease payments and variable payments that are contingent on an index or other variable. Lease payments are discounted to present value using the adopted discount rate. In many cases, the interest rate implicit in the lease is not known. The Group has therefore instead used the incremental borrowing rate for each country for different types of assets and lease terms. Each lease payment is apportioned between the finance charge and repayment of the outstanding liability. The finance charge is allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The value of the asset held under a right of use agreement consists mainly of the lease liability at the start of the lease and any payments made before the start date of the lease. The right-of-use asset is depreciated on a straight-line basis from the start date of the lease over the asset's useful life or to the end of the lease term, whichever is shorter.

Useful lives of right-of-use assets under leases:

Commercial premises	2–7 years
Cars	3–6 years
Other assets	3–6 years

Lease payments
Coor has decided to separate lease components and non-lease components for all assets. Expenditure attributable to non-lease components is expensed as incurred and is not included in the basis for calculating the right-of-use asset and lease liability.

Certain leases, mainly for the lease of premises used for restaurant and catering activities, provide for rental fees that are commission-based. The percentage rate ranges from 4 to 10 per cent of sales. Commission-based rent is treated as variable payments and is not included in the basis for calculating the right-of-use asset and lease liability.

When an index adjustment is made to the lease payment, the value of the asset and liability is recalculated.

Lease term
The Group defines the lease term as the non-cancellable period of the lease plus any option to extend the lease term in cases where the Group considers it likely that this option will be exercised.

The Group reviews the length of the lease term when the non-cancellable lease term is changed or when something occurs that changes the Group's assessment of whether the option to extend will be exercised.

When the lease term is changed the lease liability is remeasured, with a corresponding change in the value of the associated right-of-use asset.

RIGHT-OF-USE ASSETS UNDER LEASES

The following table shows rights of use held by Coor under leases.

	Commercial premises		Cars		Other		Total	
Right-of-use assets	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Opening cost	**426**	**364**	**275**	**225**	**17**	**19**	**718**	**609**
New leases during the year	38	39	144	73	0	4	182	115
New leases through business acquisitions	3	–	6	1	–	–	9	1
Change in value of existing leases	39	21	10	6	0	0	50	27
Leases terminated during the year	–46	–2	–68	–40	–9	–6	–124	–49
Translation differences for the year	–3	4	–3	10	0	1	–6	15
Closing accumulated cost	**457**	**426**	**363**	**275**	**9**	**17**	**828**	**718**
Opening depreciation and impairment	**–257**	**–180**	**–142**	**–115**	**–10**	**–11**	**–409**	**–306**
Depreciation for the year	–85	–77	–81	–65	–3	–4	–169	–146
Leases terminated during the year	46	2	68	40	9	6	124	49
Translation differences for the year	2	–2	1	–4	0	0	3	–6
Closing accumulated depreciation and impairment	**–293**	**–257**	**–154**	**–142**	**–4**	**–10**	**–452**	**–409**
Closing carrying amount	**163**	**170**	**209**	**132**	**5**	**7**	**377**	**309**

LEASE LIABILITIES

The following table shows lease liabilities recognised by Coor for its leases.

	Commercial premises		Cars		Other		Total	
Lease liabilities	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Opening balance	**160**	**177**	**133**	**112**	**9**	**10**	**301**	**299**
New leases during the year	37	37	144	73	2	4	183	114
New leases through acquisitions	3	–	6	1	–	–	9	1
Changes to existing leases	39	21	10	6	0	0	50	27
Repayment for the year	–84	–78	–81	–64	–4	–5	–168	–148
Translation differences for the year	–1	3	–2	6	0	0	–3	9
Closing balance	**154**	**160**	**211**	**133**	**7**	**9**	**371**	**301**
Of which current liability	**77**	**77**	**77**	**56**	**3**	**4**	**157**	**136**

Coor has signed a new lease agreement for its head office. The lease runs for seven years from 1 January 2025, with base rent of SEK 12 million per year.

Lease liabilities fall due as follows

	Commercial premises		Cars		Other		Total	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Within one year	81	81	80	57	3	4	163	141
Between one and two years	42	55	63	37	2	2	108	94
Between two and three years	22	20	44	26	1	1	68	48
Between three and four years	8	8	21	12	1	1	30	21
Between four and five years	4	2	8	3	0	0	12	6
After five years	2	1	0	1	0	0	3	2
Total future nominal payments	**160**	**167**	**216**	**135**	**7**	**9**	**383**	**311**
Future financial expenses	–7	–7	–5	–2	0	0	–12	–10
Recognised present value of lease liabilities	**154**	**160**	**211**	**133**	**7**	**9**	**371**	**301**

The following table shows all lease-related expenses recognised in the income statement.

Amounts recognised in the income statement	**2023**	**2022**
Depreciation of right-of-use assets for the year	–169	–146
Expenditure attributable to variable lease payments not included in recognised lease liabilities	–2	–2
Expense for the year for low-value leases	–113	–93
Expense for the year for leases with a term of less than 12 months	–1	–1
Lease interest expense for the year	–8	–7
Total	**–293**	**–250**

The following table shows all amounts recognised in the statement of cash flows in respect of leases.

Amounts recognised in the statement of cash flows	**2023**	**2022**
Lease repayments related to leases recognised in the balance sheet	–168	–148
Lease interest related to leases recognised in the balance sheet	–8	–7
Low-value and short-term lease payments	–114	–93
Variable payments not included in the measurement of the lease liability	–2	–2
Total	**–292**	**–250**

Note 13. Accounts receivable

ACCOUNTING PRINCIPLES

Accounts receivable are amounts due from customers for goods sold or services provided in the ordinary course of business. If payment is expected within one year or earlier, accounts receivable are classified as current assets. If not, they are classified as non-current assets.

The Group applies the simplified approach for calculating expected credit losses. Under the simplified approach, expected losses over the entire life of the receivable are used as a basis for accounts receivable. The calculation of expected credit losses is based on an analysis of historical data on payment patterns and credit losses over the last two years. Historical data are then adjusted to take account of current and forward-looking macroeconomic factors that may affect the customers' ability to pay their receivables. The analysis of historical data shows very low credit losses. Nor has Coor been able to identify significantly different loss patterns for different customer segments or economic conditions.

CRITICAL ASSUMPTIONS

Accounts receivable have been stated at amortised cost, net of provisions for estimated and actual bad debts. The assessment of bad debts is a critical estimate. Further information on credit risk in accounts receivable is provided in *Note 16 Borrowing and financial risk management*.

Accounts receivable	2023	2022
Accounts receivable	1,599	1,517
Provision for impairment of accounts receivable	–7	–7
BS **Total**	**1,591**	**1,511**

The fair value of accounts receivable is considered to approximate the carrying amount.

AGING ANALYSIS OF ACCOUNTS RECEIVABLE:

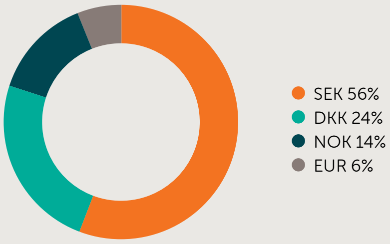
The Group's calculation of expected credit losses on accounts receivable not past due shows a very low credit risk and the amount is considered insignificant. With regard to accounts receivable past due, the analysis is supplemented by taking into account individual circumstances such as bankruptcy, known insolvency and similar events.

Aging analysis of accounts receivable	2023	2022
Accounts receivable which are neither past due nor impaired	1,345	1,328
Accounts receivable which are past due but not impaired		
0–3 months	243	150
>3 months	10	39
Accounts receivable which are past due but not impaired	**254**	**189**
Provision for impairment of accounts receivable	–7	–7
BS **Total**	**1,591**	**1,511**

ANALYSIS OF THE CHANGE IN THE GROUP'S PROVISION FOR DOUBTFUL DEBTS:

Provision for doubtful debts	2023	2022
Provision at the beginning of the year	–7	–7
Provision for expected losses	–1	–2
Actual losses	0	3
Acquisitions	0	–
Foreign exchange differences	0	0
Total	**–7**	**–7**

Accounts receivable by currency 2023



Note 14. Prepaid expenses and accrued income

Prepaid expenses and accrued income	2023	2022
Accrued income, subscriptions	71	81
Accrued income, projects	166	167
Prepaid expenses	126	129
BS **Total**	**363**	**378**

Note 15. Share capital and data per share

The company's share capital at 31 December 2023 comprised 95,812,022 (95,812,022) ordinary shares. The quotient value of the shares at 31 December 2023 was SEK 4.0 (4.0) per share. All shares registered at the closing date were fully paid up. The share capital at 31 December 2023 was SEK 383,248,088 (383,248,088).

Data per share	2023	2022
Share price at end of period	43.6	64.3
Number of shares at end of period	95,812,022	95,812,022
Number of treasury shares	–825,807	–825,807
Number of outstanding shares at end of year	**94,986,215**	**94,986,215**
Number of ordinary shares (weighted average)	94,986,215	95,159,790
Dividend per share, SEK [1]		
Ordinary dividend, SEK	2.40	2.40
Extraordinary dividend, SEK	0.60	2.40
Total	**3.00**	**4.80**
Earnings per share, undiluted and diluted, SEK [2]	**1.64**	**2.70**
Equity per share, SEK	**16.48**	**20.40**

[1] For 2023, the figure refers to the proposed dividend, which is subject to adoption at the AGM on 26 April 2024.

[2] There was no dilutive effect in 2022 or 2023.

Note 16. Borrowing and financial risk management

ACCOUNTING PRINCIPLES

The Group classifies its financial instruments as either financial assets and liabilities at amortised cost or financial assets and liabilities at fair value through other comprehensive income.

Financial liabilities are recognised in the balance sheet on the settlement date. Liabilities are initially stated at fair value, net of transaction costs, and subsequently at amortised cost using the effective interest method. Costs incurred in connection with the raising of new loans are capitalised as borrowing costs and allocated over the term of the loan. For note disclosures on borrowing, account is taken of market interest rates in calculating the fair value.

Under its treasury policy, the Group is permitted to enter into interest rate swaps to hedge a portion of its variable-rate borrowings. The effectiveness of a hedge is assessed at the inception of the hedge. Interest rate swaps must have the same critical terms as the hedged item. Critical terms may refer to the reference rate, interest rate fixing dates, payment dates and nominal amount.

CRITICAL ASSUMPTIONS

As part of its current financing solution, Coor has concluded agreements which are subject to certain covenants. If Coor were to breach any of these covenants, this could lead to increased costs as well as a risk that the current financing agreement would be terminated. At 31 December 2023, Coor was complying with all covenants.

BORROWINGS

Borrowings	2023	2022
Long-term borrowings		
Liabilities to credit institutions	1,330	850
Bonds	–	1,000
Capitalised borrowing costs	–9	–2
Other non-current liabilities	–	2
BS **Total long-term borrowings**	**1,321**	**1,850**
Short-term borrowings		
Bonds	1,000	–
BS **Total short-term borrowings**	**1,000**	–
Total borrowings	**2,321**	**1,850**

At 31 December 2023, the Group only had liabilities to credit institutions and outstanding bonds denominated in SEK. The financing agreement consists of a SEK 1,250 million revolving credit facility, of which SEK 830 million had been drawn at 31 December 2023, a senior loan of SEK 500 million and an option to refinance SEK 1,000 million in non-callable bonds. The senior loan and revolving credit facility have a variable interest rate defined as STIBOR plus 2.3 per cent in the current interest rate tier.

In March 2019, Coor issued SEK 1,000 million in bonds with a variable interest rate of 3-month STIBOR plus 2.3 per cent. The variable interest rate on the bonds has been hedged using a 0.0 per cent interest rate swap. The average interest rate during the year was therefore equal to the margin, 2.3 per cent. The bonds mature in March 2024.

In February 2024, Coor announced that the company had issued two senior unsecured bonds totalling SEK 1,000 million. For more information, see *Note 23 Events after the balance sheet date.*

The fair values of the Group's borrowings at the balance sheet date were as follows:

	Carrying amount		Fair value	
Carrying amounts and fair values of borrowings	**2023**	**2022**	**2023**	**2022**
Bank loans (including capitalised borrowing costs)	1,321	848	1,321	848
Bonds	1,000	1,000	1,000	1,000
Lease liabilities	371	301	371	301
Other interest-bearing liabilities	0	2	0	2
Total	**2,692**	**2,152**	**2,692**	**2,152**

The existing credit margin in the Group's financing agreements is considered to be consistent with market terms, and the carrying amount therefore approximates fair value. The Group is of the opinion that the liabilities have been measured in accordance with Level 2 of the fair value hierarchy, which means that the measurement is based on observable market inputs. The Group has not provided any collateral to credit institutions for the issued loans.

Reconciliation of net debt

2023	Cash and cash equivalents	Lease liabilities	Liabilities to credit institutions	Bonds	Net pensions	Other	Total
Opening balance, 1 January 2023	**484**	**–301**	**–848**	**–1,000**	**–6**	**43**	**–1,629**
Repayment of borrowings	–20	–	20	–	–	–	–
New liabilities to credit institutions	500	–	–500	–	–	–	–
Acquisition of subsidiaries	–230	–	–	–	–	–	–230
Dividend	–456	–	–	–	–	–	–456
Other cash flow	24	168	–	–	–	1	193
Foreign exchange differences	–32	3	–	–	–	–	–29
Other non-cash changes	264	–242	7	–	0	–29	0
Closing balance, 31 December 2023	**534**	**–371**	**–1,321**	**–1,000**	**–6**	**15**	**–2,149**

2022	Cash and cash equivalents	Lease liabilities	Liabilities to credit institutions	Bonds	Net pensions	Other	Total
Opening balance, 1 January 2022	**628**	**–299**	**–995**	**–1,000**	**–5**	**8**	**–1,663**
Repayment of borrowings	–150	–	150	–	–	–	–
Acquisition of subsidiaries	–37	–	–	–	–	–	–37
Dividend	–457	–	–	–	–	–	–457
Other cash flow	423	148	–	–	–	–	570
Foreign exchange differences	77	–9	–	–	–	–	69
Other non-cash changes	–	–141	–3	–	–1	35	–111
Closing balance, 31 December 2022	**484**	**–301**	**–848**	**–1,000**	**–6**	**43**	**–1,629**

FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

The following tables show financial assets and liabilities at amortised cost.

In 2019, the Group entered into interest rate swaps that are measured at fair value through other comprehensive income. At 31 December 2023, these had a value of SEK 10 (42) million.

Loans and receivables	2023	2022
Lease receivables	1	1
BS Accounts receivable	1,591	1,511
BS Cash and cash equivalents	534	484
Total	**2,126**	**1,996**

Financial liabilities at amortised cost	2023	2022
Bank loans including capitalised borrowing costs	1,321	848
Bonds	1,000	1,000
Lease liabilities	371	301
Other interest-bearing liabilities	0	2
BS Accounts payable	1,177	1,102
Total	**3,869**	**3,254**

FINANCIAL RISK MANAGEMENT

The management of the financial risks to which the Group is exposed is based on the Group's treasury policy. The treasury policy focuses on the unpredictability of financial markets and is designed to minimise potential adverse effects on the Group's financial results.

The Group is exposed to a number of financial risks, which are described in the section below.

RISK	POLICY / MEASURE

CURRENCY RISK

Transaction exposure

Transaction risk is the risk that Coor is exposed to when making purchases and sales in currencies other than the company's functional currency and when paying interest on and converting loans in currencies other than the company's functional currency.

As the Group's subsidiaries conduct their business almost exclusively in local currency, the transaction risk in the commercial flow is low. Both revenue and expenses are in the local currency of each country.

The Group only has borrowings in SEK, and Coor is therefore not affected by changes in exchange rates in connection with interest payments and the revaluation of borrowings.

Translation exposure

Translation risk is the risk that Coor is exposed to on translation of its foreign subsidiaries' income statements and balance sheets to Swedish kronor.

In 2023, operations with a different functional currency than Swedish kronor accounted for 39 (46) per cent of operating profit (EBITA). NOK 11 (17) per cent, EUR 4 (7) per cent and DKK 24 (22) per cent.

The translation difference in equity for the year was SEK –55 (108) million.

In 2023, a weakening of the Swedish krona by 10 per cent against the currencies listed below would have had the following impact on consolidated profit after tax and equity:

Translation exposure	Profit after tax ± 2023	Equity ± 2023
DKK	9	25
EUR	3	10
NOK	4	56
Total	**16**	**90**

INTEREST RATE RISK

Interest rate risk is the risk that changes in market interest rates will have a negative impact on net profit, cash flow or the fair values of financial assets and liabilities.

For variable-rate assets and liabilities, a change in market interest rates would have a direct impact on net profit and cash flow.

For fixed-rate assets and liabilities, the impact is on fair value.

The Group's debt creates an exposure to interest rate risk, as the Group borrows at variable rates. To hedge the interest rate risk related to the bonds, the Group has chosen to enter into interest rate swaps which effectively match the critical terms of the bonds. The critical terms were matched throughout the year and no ineffectiveness therefore arose. For the interest rate risk related to the revolving credit facility and senior loan, the Group has chosen not to enter into any interest rate swaps.

At 31 December 2023, SEK 830 (850) million of the revolving credit facility and SEK 500 (0) million of the senior loan had been drawn and SEK 1,000 (1,000) million of the bonds were outstanding.

The Group analyses its exposure to interest rate risk by simulating the impact on earnings and cash flow from a specified change in interest rates. Based on the loan liabilities and fixed-rate terms applying at year-end, a change of 1 percentage point in the market interest rate would have an impact of SEK ±13 million on the Group's annual interest expense.

RISK	POLICY / MEASURE

CREDIT RISK

Credit risk is the risk that a counterparty to a transaction will be unable to fulfil its contractual financial obligations and that this will have a negative impact on the Group's financial position and results. The Group's credit risk refers mainly to receivables from customers, which consist partly of accounts receivable and partly of contract revenue that has been earned but not yet invoiced.

Credit risk is managed through careful assessment of each customer's creditworthiness in connection with the conclusion of customer contracts as well as close and active monitoring of overdue accounts receivable with clear procedures for reminders, demands and debt collection.

In 2023, the Group's ten largest customers accounted for 38 (39) per cent of consolidated net sales. Historically, the Group has had a low level of bad debts relative to sales. The maximum credit exposure in accounts receivable at 31 December 2023 was SEK 1,599 (1,517) million. The concentration of credit risk based on the situation at 31 December 2023 is shown below. The indicated figures are based on the amount of the Group's exposure to each customer at the balance sheet date.

	2023		2022	
Concentration of credit risk	**Share of total accounts receivable**	**Percentage of portfolio**	**Share of total accounts receivable**	**Percentage of portfolio**
Exposure <SEK 15m	1,044	65%	996	66%
Exposure SEK 15–50m	387	24%	275	18%
Exposure >SEK 50m	168	11%	246	16%
Total	**1,599**	**100%**	**1,517**	**100%**

Provisions for doubtful debts at 31 December 2023 amounted to SEK 7 (7) million, representing 0.5 (0.5) per cent of total accounts receivable. For further information on provisions for doubtful debts, see *Note 13 Accounts receivable.*

At 31 December 2023, the Group had accrued but not yet invoiced revenue of SEK 237 (249) million. This revenue consists partly of revenue from subscription contracts under which invoices are issued in the month after the work has been performed and partly of accrued revenue from ongoing projects. The Group performs aging analyses of all accrued income on an ongoing basis to minimise the risk in recognised but not yet invoiced revenue.

LIQUIDITY RISK

Liquidity risk is the risk that the Group will find it difficult to meet its financial obligations due to the unavailability of liquid assets.

To ensure adequate short-term liquidity, management analyses the Group's liquidity requirements by continuously monitoring the liquidity reserve (undrawn revolving credit facility, and cash and bank deposits). Liquidity forecasts are prepared on an ongoing basis to ensure that the Group has sufficient cash assets to meet its operational requirements.

Longer-term, the Group ensures that adequate liquidity is maintained by forecasting future cash flows and monitoring these forecasts on an ongoing basis. The Group's liquidity requirement is met through existing credit facilities.

The table below shows a breakdown of the Group's financial liabilities by time to contractual maturity at the balance sheet date. The indicated amounts are the undiscounted cash flows. There is an option to extend the Group's revolving credit facility and senior loan until January 2028.

2023 – Maturity analysis	**Within 1 year**	**Between 1–2 years**	**Between 2–3 years**	**Between 3–4 years**	**Between 4–5 years**	**More than 5 years**
Accounts payable	1,177	–	–	–	–	–
Lease liabilities	163	108	68	30	12	3
Revolving credit facility	–	–	–	830	–	–
Senior loan	–	–	–	500	–	–
Bonds	1,000	–	–	–	–	–
Interest, borrowings	90	85	85	85	7	–
Total	**2,430**	**193**	**153**	**1,445**	**19**	**3**

2022 – Maturity analysis	**Within 1 year**	**Between 1–2 years**	**Between 2–3 years**	**Between 3–4 years**	**Between 4–5 years**	**More than 5 years**
Accounts payable	1,102	–	–	–	–	–
Lease liabilities	141	94	48	21	6	2
Revolving credit facility	–	850	–	–	–	–
Bonds	–	1,000	–	–	–	–
Interest, borrowings	52	6	–	–	–	–
Total	**1,295**	**1,950**	**48**	**21**	**6**	**2**

RISK	POLICY / MEASURE

REFINANCING RISK

Refinancing risk is the risk that financial expenses will be higher and/or that refinancing opportunities will be more limited or non-existent when the Group's liabilities fall due and need to be refinanced.

To reduce the financing risk, the Group strives to use diversified funding sources by maintaining commercial relations with at least two financial operators as well as through financing via the capital market.

In December 2022, Coor entered into a sustainability-linked financing agreement with four different financial institutions: DNB, SEB, Swedish Export Credit Corporation (SEK) and Danske Bank. The agreement has a total credit limit of SEK 2,750 million and consists of a SEK 1,250 million revolving credit facility, a senior loan of SEK 500 million and an option to refinance SEK 1,000 million in non-callable bonds. The interest rate on the senior loan and the revolving credit facility is a variable interest rate defined as 3-month STIBOR with a tiered margin based on the company's level of debt. In 2023, the margin was 2.3 per cent. The credit facility under the current financing agreement had an expiry maturity until January 2026 and included two one-year options to extend. The options to extend can be exercised by Coor subject to approval by the banks. In 2023, Coor exercised one option, extending the loans until January 2027.

In March 2019, Coor issued SEK 1,000 million in senior unsecured bonds. The bonds mature in March 2024. The bonds have a maturity of five years and a variable interest rate defined as 3-month STIBOR plus 2.3 per cent.

Both the revolving credit facility and the bonds are denominated in SEK and are subject to normal restrictions and financial covenants. The key ratios reported to the banks under the covenants for the financing agreement are leverage (the ratio of net interest-bearing debt to adjusted EBITDA) and interest coverage ratio (the ratio of adjusted EBITDA to net interest expense). For the current financial year, the Group has met all the requirements specified in the loan agreements. In addition to the financial covenants, there are three sustainability-linked covenants that are reviewed annually: TRIF rate, Scope 1 and 2 GHG emissions, and percentage of suppliers with SBTi-validated targets. The outcome of the sustainability-linked covenants can affect the level of the interest rate tier by +/–0.05 percentage points.

CAPITAL RISK

Capital risk is the risk that the Group will be unable to maintain an optimal capital structure and therefore be unable to continue to generate returns to the shareholders and other stakeholders in line with its objectives.

The Group strives to maintain an efficient capital structure that promotes the long-term development of the Group while also generating returns for its shareholders and benefits for other stakeholders. The Group's objective is to have a leverage of less than 3.0.

The table below shows the Group's capitalisation and debt at 31 December 2023:

Net debt	2023	2022
Liabilities to credit institutions	1,321	848
Bonds	1,000	1,000
Leases, net	369	301
Other	–6	–36
	2,684	**2,113**
Cash and cash equivalents	–534	–484
Net debt	**2,149**	**1,629**
Leverage, times	2.5	1.9
Equity	1,565	1,938
Equity/assets ratio, %	21	27

The Group's dividend policy states that, over the course of an economic cycle, approximately 50 per cent of the Group's adjusted net profit for the period should be distributed to the shareholders.

In addition to targets for capital structure and dividends, the Group has defined quantitative financial targets for organic sales growth, adjusted EBITA margin and cash conversion.

For definitions and information on target achievement in respect of the financial targets for 2023, see the section *Targets and results on pages* 26–27.

Note 17. Provisions

§ ACCOUNTING PRINCIPLES

Provisions are recognised when the Group has a legal or constructive obligation arising from past events, it is more probable than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably measured. The provision is measured at the present value of the amount expected to be required to settle the obligation.

Provisions for restructuring are recognised when a detailed formal plan for the restructuring measure exists and a well-founded expectation among those affected has been created. No provisions are made for future operating losses. Restructuring costs refer mainly to costs for large-scale integration projects or major organisational changes.

SPECIFICATION OF CHANGE IN PROVISIONS:

2023	Restructuring	Other provisions	Total
At 1 January 2023	**6**	**6**	**12**
Recognised in the income statement:			
– additional provisions	29	1	30
– reversal of unused amounts	0	–1	–1
Utilised during the year	–21	–3	–25
Translation difference	0	0	0
BS **At 31 December 2023**	**14**	**2**	**16**

2022	Restructuring	Other provisions	Total
At 1 January 2022	**13**	**4**	**16**
Recognised in the income statement:			
– additional provisions	15	3	17
– reversal of unused amounts	–7	0	–7
Utilised during the year	–15	–1	–15
Translation difference	0	0	1
BS **At 31 December 2022**	**6**	**6**	**12**

OTHER PROVISIONS ARE DISTRIBUTED BETWEEN NON-CURRENT AND CURRENT COMPONENTS AS FOLLOWS:

	2023	2022
Non-current component	5	2
Current component	11	10
BS **Total**	**16**	**12**

Note 18. Other liabilities

Other liabilities	2023	2022
VAT liability	187	192
Employee withholding tax	199	155
Other current liabilities	3	5
BS **Total**	**388**	**352**

Note 19. Accrued expenses and deferred income

Accrued expenses and deferred income	2023	2022
Social security contributions	235	206
Holiday pay	649	614
Other personnel-related liabilities	309	307
Accrued interest expense	23	4
Deferred income, subscriptions	214	228
Deferred income, projects	2	3
Other accrued expenses	92	140
BS **Total**	**1,525**	**1,502**

Note 20. Pledged assets and contingent liabilities

§ ACCOUNTING PRINCIPLES

A contingent liability is recognised when there is a possible obligation arising from past events and whose existence is confirmed only by the occurrence or non-occurrence of one or more uncertain events which are not fully within the control of Coor. A contingent liability may also be an obligation arising from past events that is not recognised as a liability or provision because it is unlikely that the obligation will be settled or that the size of the obligation can be calculated with sufficient accuracy.

Contingent liabilities	2023	2022
Performance bonds	175	182
Total	**175**	**182**

Companies in the Group have issued performance bonds to external parties to ensure that the company fulfils its commitments. Certain companies in the Group are involved in legal proceedings which have arisen in the course of their operations. Any liability in connection with such legal proceedings is not considered to materially affect the Group's operations or financial position.

Pledged assets	2023	2022
Bank guarantees	41	41
Total	**41**	**41**

Pledged assets comprise bank guarantees issued on behalf of a number of customers. The main purpose of the bank guarantees is to ensure delivery to the customers.

Note 21. Related-party transactions

Ownership

Coor's shares were listed on Nasdaq Stockholm on 16 June 2015. For information on Coor's shares and ownership structure, see the section *Share information*.

The following transactions have been made with related parties:
No material transactions took place between Coor and any related parties during the year.

For information on remuneration of senior executives, see *Note 6 Remuneration of senior executives*.

Note 22. Business acquisitions

ACCOUNTING PRINCIPLES

The Group applies IFRS 3 Business Combinations in connection with acquisitions. In a business combination, the acquired assets and assumed liabilities are identified and measured at fair value at the acquisition date. In preparing the purchase price allocation, an assessment is also made of whether there are intangible assets such as trademarks and customer contracts that have not been recognised in the acquired entity. In case of acquisitions where the cost exceeds the net value of the acquired assets and assumed liabilities and identified intangible assets, the difference is recognised as goodwill. Any deficit, or "negative goodwill", is recognised through profit or loss.

Transferred payments that are contingent on future events are measured at fair value. Any change in value is recognised in profit or loss for the period.

Transaction costs in connection with acquisitions are not included in cost but are expensed as incurred.

Entities acquired during the period are included in the consolidated financial statements from the acquisition date.

ACQUISITIONS DURING THE YEAR

Acquisition of Skaraborgs Städ AB

On 9 May 2023, the acquisition of the Swedish company Skaraborgs Städ AB was completed. Skaraborgs Städ includes the subsidiaries Städtjänst i Värmland AB, Kristinehamns All Rent AB and Sanmix AB. The companies in the Skaraborg Group provide workplace services, primarily cleaning, to a large number of customers in Västra Götaland, Småland and Värmland. The acquisition expands Coor's geographical coverage in Sweden. The companies generate annual sales of around SEK 400 million and have about 800 employees. The consideration paid was SEK 297 million.

Transaction costs for the acquisition were SEK 0.2 million.

In conjunction with the acquisition of Skaraborgs Städ AB, intangible assets were identified in the form of customer contracts valued at SEK 124 million, trademarks of SEK 4 million and goodwill of SEK 152 million. The goodwill arising from the acquisition is mainly attributable to the expertise of the employees. No portion of the recognised goodwill is expected to be tax-deductible.

Skaraborgs Städ AB had an impact of SEK 260 million on consolidated sales during the period 1 January to 31 December 2023. If the acquisition had taken place on 1 January 2023, the acquired business would have increased consolidated net sales by SEK 389 million on a pro forma basis for the period 1 January to 31 December 2023.

	2023
SEK million	**Skaraborgs Städ AB**[1]
Purchase price	297
Total consideration	**297**
The assets acquired and liabilities assumed that have been recognised as a result of the acquisitions are the following	
Property, plant and equipment incl. right-of-use assets	11
Intangible assets – customer contracts and trademarks	128
Cash and cash equivalents	67
Accounts receivable and other current receivables	64
Deferred tax liability	–26
Lease liabilities	–8
Accounts payable and other operating liabilities	–90
Acquired identifiable net assets	**145**
Goodwill	152
Total acquired net assets	**297**

[1] Preliminary amounts. The purchase price allocation has not yet been completed.

	2023
SEK million	**Skaraborgs Städ AB**
Cash flow attributable to acquisitions for the period	
Consideration paid	297
Cash in acquired businesses	–67
Net outflow, cash and cash equivalents	**230**

Note 23. Events after the balance sheet date

- On 14 February 2024, Coor announced that the company had issued new senior unsecured bonds totalling SEK 1,000 million. The bond issue comprised SEK 500 million in bonds with a tenor of three years, which will carry floating interest of STIBOR 3m plus 1.9 per cent per annum, and SEK 500 million in bonds with a tenor of five years, which will carry floating interest of STIBOR 3m plus 2.3 per cent per annum. The settlement date of the bond issue was 21 February 2024.


WORKSAFE

Parent company financial statements

PARENT COMPANY INCOME STATEMENT

	Note	2023	2022
Net sales		5	6
Net sales		**5**	**6**
Selling and administrative expenses	25, 26, 27	–31	–33
Operating loss		**–27**	**–26**
Income from investments in Group companies	28	–	1,315
Other interest income and similar income	28	0	0
Interest expense and similar charges	28	–108	–48
Net financial income/expense		**–108**	**1,267**
Group contributions		**206**	**68**
Profit before tax		**71**	**1,308**
Tax on profit for the year	29	–31	–6
PROFIT FOR THE YEAR		**40**	**1,303**

No component of profit or loss is attributable to other comprehensive income in the parent company.

PARENT COMPANY BALANCE SHEET

	Note	2023	2022
ASSETS			
Non-current assets			
Financial assets			
Shares in subsidiaries	32	7,789	7,789
Deferred tax asset	29	20	51
Other financial assets		7	6
Total non-current assets		**7,817**	**7,846**
Current assets			
Receivables from Group companies[1]		220	73
Tax assets	29	7	1
Other receivables		0	1
Prepaid expenses and accrued income		2	11
Total current receivables		**230**	**86**
Cash and cash equivalents*		5	2
Total current assets		**235**	**88**
TOTAL ASSETS		**8,051**	**7,934**

[1)] The company is part of the Group cash pool, in which the subsidiary company Coor Service Management Group AB is the master account holder with the bank. The company's balance in the Group cash pool is accounted for as a receivable from or liability to Group companies.

PARENT COMPANY BALANCE SHEET

	Note	2023	2022
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital, 95,812,022 shares	15	383	383
Total restricted equity		**383**	**383**
Non-restricted equity			
Share premium reserve		6,709	6,700
Retained earnings		–1,615	–2,462
Profit for the year		40	1,303
Total non-restricted equity		**5,134**	**5,541**
Total equity		**5,518**	**5,925**
Liabilities			
Non-current liabilities			
Borrowings	30	1,321	1,848
Provisions for pensions		10	8
Total non-current liabilities		**1,331**	**1,856**
Current liabilities			
Borrowings	30	1,000	–
Accounts payable		0	1
Liabilities to Group companies[1]		176	141
Other liabilities		1	1
Accrued expenses and deferred income	31	26	11
Total current liabilities		**1,203**	**153**
Total liabilities		**2,534**	**2,009**
TOTAL EQUITY AND LIABILITIES		**8,051**	**7,934**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium account	Retained earnings	Profit/loss for the year	Total equity
Opening balance, 1 January 2022	**383**	**6,683**	**–1,976**	**–11**	**5,079**
Transfer of profit/loss from previous year according to resolution of AGM	–	–	–11	11	–
Profit for the year	–	–	–	1,303	1,303
Share-based remuneration programmes	–	17	–	–	17
Share buybacks	–	–	–18	–	–18
Dividend	–	–	–457	–	–457
BS **Closing balance, 31 December 2022**	**383**	**6,700**	**–2,462**	**1,303**	**5,925**
Opening balance, 1 January 2023	**383**	**6,700**	**–2,462**	**1,303**	**5,925**
Transfer of profit/loss from previous year according to resolution of AGM	–	–	1,303	–1,303	–
Profit for the year	–	–	–	40	40
Share-based remuneration programmes	–	9	–	–	9
Dividend	–	–	–456	–	–456
BS **Closing balance, 31 December 2023**	**383**	**6,709**	**–1,615**	**40**	**5,518**

For information on share capital, see *Note 15 Share capital and data per share*. For information on the appropriation of retained earnings for the year, see *page 81*.

The effect which above is included in the line Share-based payments refers to accruals of employee benefit expenses in accordance with IFRS 2.

PARENT COMPANY STATEMENT OF CASH FLOWS

	2023	2022
Operating activities		
IS **Operating loss**	–27	–26
Other non-cash items	9	14
Interest paid and other financial expenses	–100	–45
Tax paid	–6	–20
Cash flow from operating activities before changes in working capital	**–123**	**–77**
Increase (+)/decrease (–) in net working capital	11	–6
Cash flow from operating activities	**–112**	**–83**
Cash flow from investing activities	**–**	**–**
Financing activities		
Group contribution received	68	68
Dividends received from subsidiaries	–	1,315
Dividend to shareholders	–456	–457
Share-based remuneration programmes	–	4
Share buybacks	–	–18
Proceeds from borrowings	500	–
Repayment of borrowings	–20	–150
Change in cash pool balance	24	–678
Cash flow from financing activities	**115**	**84**
CASH FLOW FOR THE YEAR	**3**	**2**
Cash and cash equivalents at the beginning of the year	2	0
Foreign exchange difference in cash and cash equivalents	0	0
BS **Cash and cash equivalents at the end of the year**	**5**	**2**

Notes to the parent company financial statements

Note 24. Accounting principles

ACCOUNTING PRINCIPLES

The parent company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board. Under RFR 2, the parent company is required to apply all EU-adopted IFRS and interpretations in the annual accounts for the legal entity insofar as this is possible under the Annual Accounts Act and with regard to the relationship between accounting and taxation. The recommendation specifies which exemptions and additions should be made in relation to IFRS. Differences between the Group and parent company accounting principles are described in the following.

The following accounting principles for the parent company have been applied consistently for all periods presented in the parent company's financial statements.

Related-party disclosures

The parent company has related-party relationships that include a controlling interest in its subsidiaries, see *Note 32 Investments in Group companies*. All transactions with related parties have been made on market terms.

Sales to other Group companies totalled SEK 5 (6) million in 2023. In 2023, the parent company paid interest of SEK 2 (7) million to other Group companies.

Group contributions

Group contributions paid and received are accounted for as appropriations through the income statement.

Dividend

Dividend income is recognised when the right to receive payment is deemed to be secure.

Shares in subsidiaries

The parent company recognises all investments in Group companies at cost less accumulated impairment. Shareholder contributions are converted into shares and participations insofar as no impairment loss is required.

Note 25. Costs by nature of expense

Costs by nature of expense	2023	2022
External services	–4	–4
Payroll costs	–27	–29
Other operating expenses	0	0
IS **Total**	**–31**	**–33**

Note 26. Audit fees

Audit fees	2023	2022
PwC		
Audit engagement	2	2
Audit services in addition to the audit engagement	–	–
Tax advisory services	–	0
Other services	0	0
Total	**2**	**2**

Audit engagement refers to the examination of the annual accounts, annual report and accounting records and of the Board of Directors' and CEO's management of the company, other tasks incumbent on the company's auditor as well as advice and other assistance occasioned by observations made in the course of such examination or the performance of such other tasks. Everything else is defined as other services.

Note 27. Employees and employee benefit expenses

	2023				2022			
Employee benefit expenses	Salaries and benefits	*Of which bonuses*	Social security contributions	*Of which retirement benefits*	Salaries and benefits	*Of which bonuses*	Social security contributions	*Of which retirement benefits*
Directors and CEO	15	*2*	7	*2*	15	*2*	7	*2*
Other employees	3	*1*	2	*1*	4	*0*	3	*1*
Total	**18**	*3*	**9**	*3*	**19**	*2*	**10**	*3*

AVERAGE NUMBER OF EMPLOYEES

The company had 2 (2) employees during the year, of whom 1 (1) was a man.

At the balance sheet date, the Board of Directors of the parent company consisted of 6 (6) AGM-elected members, of whom 2 (2) were men and 3 (3) were employee representatives.

Note 28. Financial income and expenses

	2023	2022
Financial income		
Interest income, external	0	0
Foreign exchange differences	–	0
IS **Total**	**0**	**0**
Financial expenses		
Interest expense, Group companies	–2	–7
Interest expense, external	–91	–36
Foreign exchange differences	0	0
Other financial expenses	–15	–4
IS **Total**	**–108**	**–48**
Total net financial expense	**–108**	**–48**

Income from investments in Group companies of SEK 0 (1,315) million refers to dividends from subsidiaries.

Note 29. Income tax

Tax expense (–), Tax income (+)	2023	2022
Current tax	0	–6
Deferred tax	–31	1
IS **Total**	**–31**	**–6**

DIFFERENCE BETWEEN REPORTED TAX EXPENSE AND TAX EXPENSE BASED ON THE APPLICABLE TAX RATE

	2023	%	2022	%
IS **Reported profit before tax**	71		1,308	
IS **Tax expense**	–31	*–43.5*	–6	*–0.4*
Calculated tax expense	–15	*–20.6*	–270	*–20.6*
Difference	**–16**	*22.9*	**264**	*20.2*
Tax effect of non-deductible expenses	16	*23.0*	7	*0.5*
Tax effect of non-taxable income	0	*0.0*	–271	*–20.7*
Total	**16**	*22.9*	**–264**	*–20.2*

Deferred tax asset	2023	2022
BS **Opening balance**	**51**	**51**
Change in deferred tax on temporary differences	0	1
Change in deferred tax arising from tax losses	–31	–
BS **Closing balance**	**20**	**51**

At 31 December 2023, the company had a current tax liability of SEK 0 (0) million. At 31 December 2023, the company had a current tax asset of SEK 7 (1) million.

Note 30. Borrowings

Borrowings	2023	2022
Liabilities to credit institutions	1,330	850
Bonds	–	1,000
Capitalised borrowing costs	–9	–2
BS **Total long-term borrowings**	**1,321**	**1,848**
Bonds	1,000	–
BS **Total short-term borrowings**	**1,000**	–

In December 2022, Coor entered into a sustainability-linked financing agreement with four different financial institutions. The agreement has a total credit limit of SEK 2,750 million and consists of a SEK 1,250 million revolving credit facility, a senior loan of SEK 500 million and an option to refinance SEK 1,000 million in non-callable bonds maturing in March 2024. The credit facility under the current financing agreement had an initial maturity until January 2026 and included two one-year options to extend. The options to extend can be exercised by Coor subject to approval by the banks. In 2023, Coor exercised one option, extending the loans until January 2027.

For further information on borrowing and financial risks, see *Note 16*.

Note 31. Accrued expenses and deferred income

Accrued expenses and deferred income	2023	2022
Social security contributions	3	3
Holiday pay	3	3
Other personnel-related liabilities	3	2
Accrued interest expense	18	2
Other items	0	0
BS **Total**	**26**	**11**

Note 32. Investments in Group companies

2023	Corp. ID no.	Regd office	Share of equity	Carrying amount
Direct				
Coor Service Management Group AB	556739-7665	Stockholm	100%	7,789
Indirect				
Coor Service Management AB	556084-6783	Stockholm	100%	
Coor Service Management APS AB	556764-1328	Stockholm	100%	
Addici Security AB	556555-5314	Stockholm	100%	
Coor Service Management CTS AB	556912-0156	Stockholm	100%	
Coor Norrland Lokalvård AB	556180-2959	Stockholm	100%	
Coor ILV AB	556478-2646	Stockholm	100%	
Middlepoint AB	556789-6864	Stockholm	100%	
Coor CLV AB	556441-0545	Stockholm	100%	
Coor Skaraborgs lokalvård AB [1]	556219-5510	Stockholm	100%	
Coor Värmland lokalvård AB [1]	556310-5609	Stockholm	100%	
Coor Kristinehamns lokalvård AB [1]	556480-7989	Stockholm	100%	
Sanmix AB	556544-3172	Stockholm	100%	
Coor Service Management LB 3 AB	556994-4506	Stockholm	100%	
Coor Service Management LB 4 AB	556994-4498	Stockholm	100%	
Coor Service Management A/S	10 68 35 48	Denmark	100%	
Coor Service Management AS	983 219 721	Norway	100%	
Coor Cleaning Catering and Property AS	912 523 918	Norway	100%	
Coor Offshore AS	814 493 962	Norway	100%	
Coor Service Management Øst AS	815 367 952	Norway	100%	
Coor Service Management OY	1597866-9	Finland	100%	
Coor Service Management NV	0480-088-929	Belgium	100%	
Coor DOC NV	0668-588-237	Belgium	100%	
Coor Service Management sp. z.o.o [2]	0000350979	Poland	100%	
Coor Service Management OÜ	12169810	Estonia	100%	

[1] In February 2024, these companies were merged with Coor ILV AB (556478-2646).
[2] Company in course of liquidation.

Change during the year	2023	2022
Opening cost	8,489	8,489
Closing accumulated cost	**8,489**	**8,489**
Opening impairment	–700	–700
Closing accumulated impairment	**–700**	**–700**
BS **Closing carrying amount**	**7,789**	**7,789**

Note 33. Pledged assets and contingent liabilities

The parent company has provided a parent company guarantee of SEK 33 (33) million covering financial obligations of the Finnish subsidiary in respect of leases and bank guarantees. The parent company has no other pledged assets or contingent liabilities.

Declaration of the Board of Directors

The Board of Directors and Chief Executive Officer certify that the annual accounts have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards as well as generally accepted accounting principles, and give a true and fair view of the financial positions and results of the parent company and Group. The Directors' Report for the parent company and Group gives a true and fair view of the parent company's and Group's activities, their financial position and results, and describes significant risks and uncertainties faced by the parent company and the companies in the Group.

The consolidated statement of comprehensive income and balance sheet and the parent company statement of comprehensive income and balance sheet will be submitted for adoption at the AGM on 26 April 2024.

Stockholm, 26 March 2024

Mats Granryd
Chairman of the Board

Karin Jarl Månsson

Magnus Meyer

Kristina Schauman

Heidi Skaaret

Linda Wikström

Glenn Evans
Employee representative

Rikard Milde
Employee representative

Urban Rääf
Employee representative

AnnaCarin Grandin
President and CEO

Our auditor's report was submitted on 26 March 2024
Öhrlings PricewaterhouseCoopers AB

Niklas Renström
Authorised Public Accountant
Auditor-in-charge

Auditor's Report

To the general meeting of the shareholders of Coor Service Management Holding AB (Publ), org.nr 556742-0806

Report on the annual accounts and consolidated accounts

OPINIONS

We have audited the annual accounts and consolidated accounts of Coor Service Management Holding AB (publ) for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 70-123 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

AUDIT SCOPE

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

MATERIALITY

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Testing for impairment of goodwill and other acquisition-related intangible assets Refer to Note 1 for a description of significant accounting principles and to Note 10 Intangible assets for a description of the yearly impairment test. At 31 december 2023, Coor had goodwill, of SEK 3,815 million, representing 51 per cent of total assets. The principal risk is the risk that the value of these assets will need to be Impaired. Each year, Coor performs a test to measure goodwill in order to determine whether any impairment has occurred. The test is complex and relies on management's estimates in respect of material parameters, including future sales performance, cash flows, margins and interest rates (WACC). Coor has an established process for testing the measurement that is based on cash-generating units (CGU). The process is described in Note 10. For 2023, there were four identified cash-generating units. Coor's conclusion is that no impairment had occurred for the aforementioned assets in 2023.	In testing goodwil for impairment, we performed a number of audit procedures aimed primarily at confirming the valuation and accuracy. In particular, we: • We have evaluated and assessed Coor's models, methods and assumptions. • Through sampling, assessed and challenged the information used in the calculations in relation to Coor's financial plan and, where possible, external information. In doing so, we focused on assumed growth rates, margin growth rates and discount rates for each cash-generating unit. We also assessed the accuracy and inherent quality of the company's process for preparing business plans and financial plans based on historical outcomes. • Reviewed the sensitivity of the measurements to negative changes in all parameters which, individually or in the aggregate, could result in impairment. • Assessed whether the disclosures made in the annual report are correct based on tests of the measurements made, with a particular emphasis on disclosures on the sensitivity of the measurements. • Compared the disclosures included in the annual report with the requirements of IAS 36. Based on our work performed, it is our conclusion that Coor's valuation and disclosures are in line with IAS 36 and that the assumptions that form the basis of the valuation are deemed reasonable.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-51, 128-149 and 151-162. The information in Coor Service Management´s remuneration report for 2023, which is published on the company´s website at the same time as this report, also continues other information. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTOR'S AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Coor Service Management Holding AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

BASIS FOR OPINIONS

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

RESPONSIBILITIES OF THE BOARD OF DIRECTOR'S AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company´s organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

AUDITOR'S RESPONSIBILITY

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the ESEF report

OPINION

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Coor Service Management Holding AB (publ) for the financial year 2023.
Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

BASIS FOR OPINION

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Coor Service Management Holding AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled my ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF THE BOARD OF DIRECTOR'S AND THE MANAGING DIRECTOR

The Board of Directors (and the Managing Director) are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.
The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.
Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report has been marked with iXBRL in accordance with what follows from the Esef regulation.

Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm, was appointed auditor of Coor Service Management Holding AB (Publ) by the general meeting of the shareholders on the 27 April 2023 and has been the company's auditor since December 2004.

Stockholm, 26 March 2024
Öhrlings PricewaterhouseCoopers AB

Niklas Renström
Authorised Public Accountant

Coor's sustainability agenda

Coor's ambition is to run a sound business in a sustainable manner. This ambition extends across the whole value chain, from supplier to end customer.

Sustainable business is about taking long-term responsibility for the activities in which you are engaged. The overall objective is to ensure that the business is successful and generates the highest possible economic return, without compromising on respect for human beings or the environment. Coor's sustainability agenda, which is designed to support the strategy to build a truly sustainable company, has been developed through analysis, internal discussions and dialogue with target groups and stakeholders. The agenda is based partly on the UN Global Compact, local and global opportunities and challenges, risk management, Coor's stakeholders' priorities and the company's opportunities to create value for them. Based on a central governance model and a sustainability organisation with operational responsibility, we ensure that sustainability is integrated into all activities. You can read about Coor's sustainability governance in the Corporate Governance report on page 60, and more about governance in each area in the relevant chapter of the sustainability notes, under the heading "Governance".

STAKEHOLDER DIALOGUE AND COMMUNICATION WITH TARGET GROUPS

To create sustainable values, Coor needs to understand and analyse our stakeholders' expectations. Coor therefore engages in continuous dialogue with its stakeholders. This communication is both transparent and objective, and is aimed at building good and trusting relationships with Coor's stakeholders.

Coor continuously identifies those issues that are most important in its communication with its various stakeholder groups. Personal meetings, on site or online, are a key part of Coor's stakeholder dialogue. Personal meetings are complemented with a number of other communication channels. We also conduct regular surveys to measure key indicators, the most important being the annual customer and employee surveys. At Coor, communication with a particular stakeholder group is delegated to the person who knows most about the group, and this is clearly defined in the company's communication policy.

Building on the in-depth stakeholder dialogue that Coor conducted in 2022, we continued to engage in continuous dialogue in 2023.

External initiatives and membership of organisations

Coor's sustainability management activities are guided by the following international agreements:

- The UN Global Compact (UNGC)
- The UN Universal Declaration of Human Rights
- The ILO core conventions on labour rights
- The OECD Anti-Bribery Convention
- The Science Based Targets initiative (SBTi)
- Reporting in accordance with the Global Reporting Initiative (GRI)

In addition to these, Coor adheres to the principles of the Swedish Corporate Governance Code, including the gender equality principles set forth therein. We are also active in a number of organisations and have an extensive commitment to innovation that promotes the company's sustainability management, for example through:

- The International Facility Management Association (IFMA)
- Säkerhetskulturnätverket (SÄKU)
- Nätverket för Hållbart Näringsliv (NMC)
- Things Stockholm
- Ignite Sweden
- PropTech Denmark & PropTech Sweden
- As a partner to Nordic PropTech Awards 2024

Information on the Sustainability Report

Coor Service Management Holding AB (corp. ID no. 556742-0806), with registered office in Stockholm, publishes an annual Sustainability Report which describes the company's activities from a sustainability perspective. The report covers all Group companies. This report refers to the year 2023 and is published together with the Annual Report. The data presented follows relevant reporting and consolidation principles for financial reporting. As part of the Sustainability Report, a Sustainability Statement has been prepared according to the GRI standards 2021 guidelines. The content of the Sustainability Statement reflects the issues where the company assesses that we have the most significant impact on people, the environment, and the economy. Coor's statutory Sustainability Report is submitted by the Board but does not form part of the formal annual report documents. The Sustainability Report, in accordance with the Annual Accounts Act, consists of the following pages: 7–11, 18–45, 60, 82–83, 128–149, and 151–153. The Sustainability Statement consists of pages 18–27, 60, 82–83, 128–149, and 151–153. The Sustainability Statement has undergone a review by Coor's auditors, whose opinion is at the end of the report. For questions about the report, you are welcome to contact VP Head of Sustainability Maria Ekman.

Material topics and impact

Material topic	Footprint (negative impact)	Handprint (positive impact)	Sustainable Development Goals (SDGs)
BUSINESS RESPONSIBILITY			
Business ethics	Potential and low risk of corruption (anti-corruption and compliance). Potential risk of digital security issues.	Increased transparency and available data.	8 Decent work and economic growth
Profitability	n/a	Contributes to the economic development of society.	8 Decent work and economic growth; 17 Partnerships for the goals
SOCIAL RESPONSIBILITY			
Health and safety	Risk of occupational injuries and sick leave.	A good work environment and better indoor climate contribute to our customers' health and well-being.	3 Good health and well-being
Diversity and inclusion	Low risk of discrimination.	Creates work for people who are far from the labour market and promotes equality and increased diversity in the organisation.	5 Gender equality; 10 Reduced inequalities
Employment and education	Low risk of unsafe employment conditions.	Provides employees with continuous training and skills development. Ensures decent employment conditions.	8 Decent work and economic growth; 10 Reduced inequalities
ENVIRONMENTAL RESPONSIBILITY			
Climate emissions	Emissions are generated through transport and purchased goods and services.	Helps to reduce customers' emissions through smarter route planning and a more sustainable product range in the service delivery.	13 Climate action; 17 Partnerships for the goals
Resource use	Resources such as water are used in the delivery and are affected by chemicals use.	Promotes innovative new solutions for customers for more circular service solutions and efficient resource use.	12 Responsible consumption and production; 14 Life below water
Energy	The business uses energy.	Offers services that reduce the customers' energy use.	7 Affordable and clean energy; 13 Climate action
Waste	Waste is generated in the delivery to the customer.	Helps customers reduce their waste and increase the degree of waste separation.	12 Responsible consumption and production

Stakeholder group	How we engage in dialogue	Key issues	How we address the issues
Employees	• Performance reviews • Regular workplace meetings • Training activities • Employee surveys • Management meetings • Liaison meetings	• Work environment, health and safety • Equal treatment: diversity and safety • Corporate culture and ethics • Fair wages • Development opportunities • Motivated employees	• Training in the Code of Conduct, introductory course for new employees and skills development programmes • ISO 45001:2018 Health and safety management standard • Liaison with trade union representatives, including business council meetings, liaison meetings and health and safety committee meetings • Salary reviews • Performance reviews • Talent assessment
Customers	• Ongoing engagement with customers through defined channels (defined for each customer) • Customer visits, customer meetings • Delivery monitoring • Customer and market surveys • Website, social media	• Work environment, health and safety • Customer insight • Environmental impact, environmental labelling, energy efficiencies, resource efficiency, chemicals use • Monitoring of compliance • Quality • Innovation/improvement • Relationship	• Individual suggestions for improvements • Delivery monitoring • Supplier control • Green advice, including energy efficiencies • Monitoring of suppliers' compliance with the Code of Conduct • Product life cycle analyses
Potential customers	• Market dialogue • Visits, meetings • Market events • Market surveys • Website, social media • Annual, interim and sustainability reports	• Service requirements and service level • Keeping it simple • Corporate culture and ethics • Motivated employees • Health and safety • Environmental impact • Monitoring of compliance • Quality • Innovation/improvement • Relationship	• Quality reviews • Active development of management systems and certifications under ISO 9001, 14001 and 45001 • The UN SDGs, UN Global Compact, as a framework
Investors and analysts	• General meeting of shareholders • Open analyst meetings in connection with interim reports • Analyst and investor meetings in smaller forums	• Integrated and strategic sustainability management • Long-term profitable growth and strong cash flows • Total return • Responsible behaviour in the value chain	• Clear Nordic strategy • Strong local business acumen, clear financial control and a focus on efficiency • Strong customer relationships
Suppliers	• Ongoing supplier engagement dialogue • Supplier monitoring • Digital monitoring tools • Supplier controls	• Market terms • Corporate culture and business ethics • Work environment, health and safety • Equal treatment: diversity and safety • Innovation/improvement	• Monitoring of suppliers' compliance with the Code of Conduct • Audits • Risk assessment process for procurement
Trade unions	• Major trade unions are represented on the Board • Forum for meetings with major unions centrally • Local meetings with local unions	• Labour law issues in accordance with the Co-determination Act (and equivalent laws outside Sweden) • Compliance • Work environment, health and safety	• Safety inspections with participants from the employers' association, health and safety officers, and trade union representatives • Staff training • Risk and incident reporting • Preventive measures • Monitoring of compliance • Internal and external audits
Authorities	• Structured monitoring • Specialist networks • Meetings • Internal and external audits	• Laws, regulations and rules • Compliance	• Quality reviews • Certification under the ISO 9001, 14001 and 45001 standards
Stakeholder organisations and specialist networks, e.g. IFMA, SÄKU, NMC	• Active membership through participation in forums and initiatives	• Relevant specialist issues • Exchange of experience • Good practical examples from the business	• Membership and engagement in organisations

Materiality assessment

Coor's materiality analysis is a core part of our business strategy. It is based on our stakeholders, risks, opportunities, external factors, and an impact analysis of people, the environment, and society. By thoroughly analyzing these factors, we can focus on what truly matters most for our company. Our materiality analysis is supported by topics included in the GRI (Global Reporting Initiative), as well as dependencies on natural resources, social, and human resources. We assess the consequences of our actions, both positive and negative, taking into account their actual and potential impact. To determine the relevance of a topic, we have based our analysis on our four main value chains: cleaning, property, workplace services, and food and beverage. These areas are where we believe our impact is most likely. We have evaluated the effects based on internal expertise in various fields, such as supplier management, environment, HR, health and safety, community engagement, and legal matters. The analysis is reviewed annually at both the group level and within the management teams of different countries. We also review whether our operations, including our supply chain, have changed in a manner that affects the ongoing relevance of the analysis. We consider the needs of our stakeholders and strategic risk management. To ensure continuous improvement, we use the management review process as a tool for feedback and adjustment of our actions. Considering Coor's vision and strategy, priorities are then set within the Sustainability Management Team (SuMT) and the executive management.

We conduct a more thorough review approximately every three years. The last review was conducted during 2021-2022. The criteria for assessing the materiality of a topic were based on the scope of the issue in relation to our value chains. Participants in the evaluation came from various corporate functions and business areas within Coor, offering diverse perspectives and experiences on Environmental, Social, and Governance (ESG) in the value chain. External reports, legislation, and frameworks were also considered. Furthermore, a number of interviews were conducted with representatives of relevant stakeholder groups. Through this process, we ensure that our efforts are well-founded and tailored to meet our sustainability goals.

Parallel to this, we have initiated work on the upcoming EU legislation ESRS/CSRD in 2023. After an initial gap analysis, we have started our comprehensive double materiality analysis, which will also include the financial perspective. How we manage the sustainability area is described in the corporate governance report and under each specific area here in the sustainability notes.

Addressing material topics and remediation

Coor's ongoing work to address material topics is aimed at ensuring that we focus on and continue to make progress on these issues and prioritise the right areas. Issues related to renewable and efficient resource management, especially CO_2e emissions, net zero 2040, energy consumption and consumables, are becoming ever more important and Coor's stakeholders expect us to continuously improve our ability to manage these areas and report on our progress. This applies also to digital security, transparency and data, where our stakeholders expect an increased focus and where we see a growing need for process development. Access to transparent and reliable data remains crucial to Coor's strategic activities in data-driven development.

Diversity and inclusion remain key concerns and it is expected that further progress will be made. In this area, Coor continued its efforts to build support for and provide training related to the framework for social responsibility, including gender distribution, which is an area where Coor is performing in line with its expectations and goals on a general level but where there is room for improvement in local management teams.

Our stakeholders continue to stress areas such as safety, decent working conditions, including training and skills development, and fair wages and employee engagement. These are areas where the employees are signalling through the annual employee survey that Coor has good control.

Where we identify that we have caused or contributed to negative impacts on human rights or the environment, we will provide or cooperate in the remediation. Where we identify that we have not caused or contributed to the negative impact on human rights or the environment but are directly linked to the impact through our business relationships, we will attempt to use our influence to leverage remediation. In cases of non-compliance, we have channels and resources to follow up and take actions to correct the relationship. We are committed to having effective grievance mechanisms, which are accessible to all employees, customers, suppliers, or third parties. The whistleblower channel is open to everyone.

Operational targets

To ensure a clear link between the materiality assessment and Coor's performance, operational targets are linked to each focus area. The targets are defined by the executive management team and monitored based on Coor's process for management by objectives. Based on the business plan, internal operational targets are defined for a three-year period. Action plans for achieving the targets are followed up through Actio, the Group's mandatory system for target-oriented activities and action plans in all sustainability areas. You can read more about how we monitor our operational targets in each area here in the sustainability notes.

Monitoring of the sustainability area and certifications

To ensure a high-quality and environmentally friendly delivery in a safe and secure work environment, all Coor businesses have been certified under the ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 standards. During the year, we also certified a limited operation in Coor's Swedish business under the ISO 55001:2014 Asset Management standard. The management system as a whole and its standards cover the company's organisation and all employees. The activities are monitored continually through external and internal audits. This regular work also ensures that lessons are analyzed and can be implemented as needed in processes and policies.

The 2023 external audits were carried out by Det Norske Veritas (DNV). In summary, the audits highlight measures related to Coor's cost-saving programme, which was reviewed in all countries and was found to have achieved results already. There is a strong focus on procurement in the organisation and the monitoring mechanisms were considered to be well structured in the audited cases. The audits also pointed to the presence of Fleet Managers in each country who support the organisation in its efforts to meet Coor's science-based targets (SBTs) for vehicle emissions. When it comes to service delivery and contracts governance, this was generally considered to be highly satisfactory with regard to contract management and follow-up of service delivery, document control, customer meetings, measurement of customer satisfaction and handling of complaints. Coor's management system is considered to be well implemented in the business and reported improvement areas had been included as development issues for 2024.

In May, an integration audit was carried out of Inspira/Coor ILV. Coor ILV was already ISO 14001 and ISO 9001 certified and received ISO 45001 certification as a result of this integration audit. In the spring, an audit was also conducted of Coor's takeover of Centrumstäd, which was already certified according to all three standards: ISO 14001, ISO 9001 and ISO 45001.

Coor has brought together Group policies in the management system that govern decisions in a number of areas. New employees are informed about these policies and revisions to the policies are communicated. A document management system is linked to the management system to ensure correct and traceable management of Coor's governing documents.

BUSINESS RESPONSIBILITY

Impact

Coor affects many people's lives every day and we have a strong commitment to creating a truly sustainable company. Respect for the equal value and rights of all people is a fundamental value for Coor. We operate on the basis of clear principles of business ethics and always strive to minimise the risks of corruption and unethical behaviour both in our own organisation and in our supply chain.

Governance

Coor's business ethics principles are set out in a Code of Conduct, which provides guidance for the employees in their daily work. The Code of Conduct covers the whole company. Among other matters, the Code describes how the company's employees should work to prevent corruption, conflicts of interest and discrimination. The Board of Directors approves Coor's Code of Conduct along with any adjustments and updates.

Coor's Anti Corruption Policy sets out the company's clear stance against corruption. The policy defines what corruption is, establishes what Coor's employees may and may not do in various situations, and is in many cases stricter than the applicable laws. The policy also includes rules relating to the know your customer process, money laundering risks and conflicts of interest. The Anti Corruption Policy is owned by Coor's Chief Legal Counsel and has been adopted by Coor's executive management team.

Information security is managed through our IT Board and Information Security Management Council, both of which have executive representation and include the Chief Information Officer (CIO), Chief Information Security Officer (CISO), Head of IT Security and Data Protection Officer (DPO). These report to the executive management team and Board of Directors. The governing documents in the area are Coor's Information Security Policy, IT Policy and Data Protection Policy (GDPR).

Customer relationships and customer satisfaction are key elements of Coor's business model, which is governed by clear processes for how to effectively manage and respond to feedback from customers. Each business unit in the Group has dedicated contact persons who ensure that relevant feedback reaches the right contract and that tools for analysis and follow-up of customer surveys are available. This process ensures consistent, constructive and high-quality handling of customer feedback.

Activities

Code of Conduct

Coor's Code of Conduct forms part of the employees' terms of employment and is discussed annually in employee performance reviews. The Code of Conduct can be found on Coor's intranet and website and is included in information packs given to potential customers, for example in tendering processes. Small customer contracts are normally based on Coor's contract template, which includes Coor's Code of Conduct. Major customer contracts can be entered into based on the customer's own contract templates and normally refer to a document which in terms of content is equivalent to Coor's Code of Conduct, such as the customer's own Supplier Code of Conduct. Coor's Board of Directors reviews and approves the Code of Conduct annually, including any revisions. Sustainability and compliance issues are a recurring theme in Board discussions.

Coor has an online course on the Code of Conduct, which also covers the areas described in our Anti Corruption Policy. All employees are required to take the course every two years, regardless of role and country of employment. Coor's Directors also take the course. The Code of Conduct course has been adapted to the large number of employees at Coor, both in terms of the real-life nature of the scenarios presented and the technical options for completing the course, which is now easily accessible via a mobile phone. The digital course also enables monitoring of implementation. New employees take the course in connection with their introduction.

Compliance Forum

Coor has a Compliance Forum chaired by the Compliance Officer that serves as a platform for discussion and collaboration to ensure that the company complies with all applicable laws and standards as well as to manage risks related to non-compliance. Its purpose is to promote awareness, training and dialogue on the company's compliance issues and ensure that the company's operations are conducted in an ethical manner and in compliance with legal requirements.

Anti-corruption

In 2023, three suspected violations of Coor's Anti Corruption Policy were reported and investigated. As in previous years, anti-corruption training formed part of Coor's online course on the Code of Conduct. The course is mandatory for all employees, regardless of role and country.

Whistleblower portal

Coor has an online whistleblower function provided by an external supplier. Through the function, employees, suppliers, customers or any other stakeholder can anonymously report suspected irregularities at the company using encrypted messages. The whistleblower function is accessible via Coor's website and intranet. Dialogue with anonymous whistleblowers is enabled by allowing the whistleblower to obtain a personal code at the time of submitting a report. The whistleblower logs in using a personal code and can read answers from Coor's whistleblower team that is investigating the matter.

The dialogue can continue for as long as desired and is entirely anonymous. Discrimination or reprisals against a person who reports a suspected irregularity in good faith will not be tolerated. The whistleblower function is available in the ten most widely spoken languages at Coor. All reports submitted through the portal are handled within seven days, in most cases immediately. Cases that are incorrectly submitted through the portal are forwarded to the right recipient in the organisation.

Competition

Coor is committed to promoting healthy competition and complying with applicable competition laws. Coor's policy is to not exchange information with or enter into agreements or arrangements with competitors, customers or suppliers in a manner that risks impeding, restricting or distorting competition in the market.

Coor's position on competition issues is set out in Coor's Code of Conduct and specified in internal guidelines that describe how specific situations should be handled. Any concerns regarding Coor's actions in competition matters can be communicated through various channels, including Coor's whistleblower portal, which is available to both employees and outside parties. Coor's Chief Legal Counsel is responsible for competition law issues, and any complaints are handled in accordance with Coor's guidelines for handling whistleblower cases.

During the period 2019–2023, Coor was not involved in any legal actions regarding anti-competitive practices, nor did it receive any complaints regarding such practices.

Coor has not been required to pay fines or other sanctions in any area.

Information security

The deteriorating global security environment, including cyber security threats, remained a concern in 2023. In addition to the long-running negative trend in cyber attacks against government agencies and businesses from primarily criminal actors, there is now also a threat from nation states. Continued digitalisation, both in business and society, is facing increasingly sophisticated methods of attack. In 2023, generative artificial intelligence (AI) also became widely available to the public. In addition to improving the capabilities of security platforms, AI can be used as a tool in cyber attacks. Cyber security is therefore an area that requires constant vigilance.

Coor's threat analysis is used as a basis for safeguards and regular measurements of the company's maturity against frameworks such as CIS and ISO 27001. These frameworks continue to serve as a basis for technical safeguards and procedures.

Existing security solutions were further strengthened during the year with advanced enhancements as well as strengthened regulations in a number of areas. Further improvements in the monitoring of security events have been made in order to respond to existing threats and enable a faster response through automation of measures. Linked to the incident process, there are specific data breach procedures. This work will continue through 2024 and beyond.

Customer relationships

Every year, Coor conducts a survey among its customers with the help of an external research firm with the aim of monitoring its performance as a service provider. In the survey we ask our customers about their general perception of us and of their perception in various areas that are vital to ensuring a successful delivery.

Coor has retained a high Group-level customer satisfaction (CSI) score of 71 (71). The results from the customer survey provide valuable input, and we actively use our customers' feedback to improve ourselves as a company and to identify our focus areas going forward.In addition to the annual survey, customer and service user satisfaction are monitored continuously. This qualitative and quantitative monitoring is customised based on the specific customer and focus on both service delivery and customer relations.

Maintaining good customer relationships and retaining satisfied customers over time are crucial to achieving stable and profitable growth. Coor works proactively to develop its service offering and continuously proposes improvements to its customers. In 2023, 7,288 (6,310) suggestions for improvement were made, of which 5,974 (4,116) were implemented at the customers' premises.

No issues or complaints regarding customer privacy or loss of customer data were identified during the year.

Goals, performance and statistics

Monitoring of compliance with the Code of Conduct	Result 2023	Result 2022	Result 2021
Number of reported and investigated cases of suspected violations of the Code of Conduct [1) 2)]	9	11	10

1) Cases reported through Coor's whistleblower system, where employees, suppliers, customers or any other stakeholders can anonymously report suspected violations of Coor's Code of Conduct for suppliers and employees, and violations of Coor's Anti Corruption Policy.

2) In 2023, three suspected violations (out of a total of nine reported cases) of Coor's Anti Corruption Policy were investigated specifically.

Number and percentage of individuals in executive positions (excl. Board) who have received training in anti-corruption	2023	
	Number	%
Sweden (including Belgium)	368	80%
Finland (including Estonia)	67	82%
Norway	136	72%
Denmark	156	58%
Group	40	100%
Total number	**767**	**74%**

Customer satisfaction	Result 2023	Result 2022	Result 2021
Number of registered and implemented improvement initiatives [1)]	7,288	6,310	6,838
Customer survey score [2)]	71	71	74
Percentage of customer contracts extended [3)]	62%	82%	58%

1) Number of implemented suggestions for improvement, as registered in Coor's IT-based Actio system.

2) Each year, Coor conducts a comprehensive customer survey with the help of an external research firm.

3) Excluding Ericsson the percentage is 88 per cent. The customer retention rate is commented on in the Directors' Report.

EMPLOYEES, SOCIAL RESPONSIBILITY AND HEALTH & SAFETY

Impact

All employees should be able to work in a good and safe environment, both physically and psychosocially. Coor's employees work continuously to improve the company's service delivery to customers. To be able to do a good job, they need to have the right conditions and feel that they are being seen, heard and acknowledged. We refer to Coor's efforts to build employee engagement as Passion for People. Coor has great potential to make a positive contribution to the development of society, for example by helping to integrate new arrivals and providing a route to employment for those who for various reasons are outside the labour market. Coor affects many people's lives every day and we have a strong commitment to creating a truly sustainable company where respect for the equal value and rights of all people is in itself a fundamental value.

Governance

The Group HR Director is responsible for Coor's strategic development activities in the area of social sustainability. The Group HR Director and the national HR Managers form a management team tasked with promoting joint development activities in social sustainability and responsibility. The management team has created a common development plan for those areas where the Group has common interests. The management team also continuously monitors the common Group goals as well as other strategic KPIs in social sustainability and evaluates the initiatives that are implemented to achieve the goals. Coor is a service company whose most important asset is our employees. As part of Passion for People, Coor monitors staff turnover and employee engagement to ensure that the company is able to recruit and retain the necessary talent over the long term. This monitoring also provides indications regarding the employees' well-being and is an important parameter as the company grows. Coor's employee processes form the basis for the company's social responsibility.

Coor's efforts to promote health and safety are based on a strong commitment from senior management and down the line. The work is based on identified risks and general legal requirements. Coor's health and safety management is well implemented, governed by the executive management team and developed continuously through the Safety Committee, which consists of the national and Group health and safety officers. We have a clear vision to achieve zero workplace-related injuries. A key success factor for realising this vision is to address health and safety in collaboration with customers as well as suppliers. Coor uses the US OSHA (US Occupational Safety and Health Administration) definitions and classifications as guidelines for the classification of injuries.

The governing documents in the area are Coor's Sustainability Policy, Diversity and Inclusion Policy, Recruitment Policy, Human Rights Policy and Safety Policy.

Activities

Collective bargaining agreements

The vast majority, 89 per cent, of our employees are covered by collective bargaining agreements. We have many different collective bargaining agreements as we have a wide range of operations covering many areas. Employees not covered by a collective bargaining agreement are offered terms of employment equivalent to those of the relevant collective bargaining agreement in the industry. To run our business, we occasionally need temporary help from consultants and subcontractors. The roles and duties involved differ depending on the function. The roles engaged, through consultancies or staffing agencies, include IT consultants, electricians, cleaners and receptionists.

In cases where it is necessary to scale back operations, Coor's employees are covered by provisions in national laws or collective bargaining agreements that are designed to secure their future training and opportunities to find employment outside the company. In Sweden, for example, all employees are eligible for redeployment support through TRR Trygghetsrådet and the Job Security Foundation (Trygghetsstiftelsen).

Continuous skills development

Coor strives to be the most attractive employer in the Nordic FM industry. To succeed in this ambition, our employees need to be given continuous opportunities for development. Employees are therefore given an individual development plan that is prepared with their manager at the annual performance review, Coor Development Dialogue. Coor continuously develops its range of skills development activities such as training courses, both physical and digital, as well as webinars. In order to enhance its ability to provide continuous training for its employees, Coor started implementing a Group-wide HR system during the year that includes a Learning Management System (LMS).

Success models

Coor's success models clearly define the skills that are required to be successful in one's role. The models also describe desired behaviours linked to each skill. Coor has three different success models: one for service personnel, one for specialists and one for leaders. The models are based on Coor's vision and overall goals and the company's three guiding principles: *We see further, We listen* and *We create success*.

Work environment and risk prevention

All employees should be able to work in a good and safe environment, both physically and psychosocially. The majority of Coor's employees work in our customers' premises, often in collaboration with subcontractors. That's why continuous dialogue, joint efforts and analysis are important and prioritised. Risks are identified through risk inventories, risk assessments, regular safety inspections and daily reporting of risk observations. In 2023, there were good opportunities to implement and follow up on planned initiatives. This was reflected in the results for all countries, but particularly Sweden and Finland.

Several areas were in focus during the year, including national initiatives for preventive measures to increase proactive risk awareness in the business. Operational follow-up of safety inspections, risk surveys and damage assessments was carried out to identify areas where targeted support efforts are needed. Escalation processes for dealing with injuries were implemented in all countries and Coor established collaborative arrangements with customers concerning safety inspections, training activities and supplier meetings.

As part of the above risk management activities, the executive management team and national management teams took part in safety inspections in a number of different areas to identify risks. This is a very important and appreciated effort.

Coor's whistleblower portal is an important reporting channel for potential irregularities, including cases related to discrimination. No reports received through Coor's whistleblower portal during 2023 were confirmed as instances of discrimination. Two reports were investigated with a potential connection to discriminatory practices. In one case, the investigation confirmed that the reported concern did not involve any verified discriminatory behavior or unequal treatment. The second report lacked sufficient detail, which prevented the conduct of a thorough investigation to definitively determine if discrimination had occurred. Despite our efforts, no further information emerged in this specific case.

Risk reporting

All employees are encouraged and expected to report observed risks as part of their duties. Processes and procedures contain instructions for how events should be reported and investigated. Risk observations, incidents and injuries are reported directly to the relevant manager by mobile phone or computer. The reports are then followed up and the implemented risk prevention activities are assessed. The results are followed up and analysed at country and Group level on a monthly basis. Based on the results, targeted measures and training activities are carried out. Actio and Qlik Sense are used as system support.

The increased number of risk observations and reported events in 2023 reflects an increased risk awareness and willingness to report risks in the business. The results help us to identify operations where there is a need for training and preventive measures. The most common categories of injuries reported were falls from the same height, falls from high heights and stab/cut injuries.

In 2023, we continuously strengthened our health and safety work linked to injuries by continuing to provide our Life Saving Rules (LSR) and First Line Manager (FLM) training courses in our business. The LSR course helps us all, and especially operational staff directly involved in the delivery of our services, to understand how we should act in situations where there is a risk of injury. The FLM course helps line managers operating closest to the employees to take action and enables us to put into practice the maxim “If we can’t do the work safely, we shouldn’t do it at all”. This is a key maxim to bear in mind as we work towards our vision of zero work-related injuries. The rules are based on the most common hazards and risks encountered in Coor’s activities and were drawn up towards the end of 2021 on the basis of actual incidents. In 2024, Coor will continue its training activities in order to raise the level of knowledge in the company, and to establish a common view and enhanced safety culture in our day-to-day activities.

The Bradley Curve

In 2023, we made a significant decision in our continued development of Coor Safety Culture: to use the Bradley Curve as a model for our efforts to promote safety. The model, which is easy to understand and illustrates the relationship between injuries and the organisation’s safety culture, will help us in our efforts to prioritise the right initiatives for optimising safety in the workplace. The Bradley Curve has four stages: reactive, dependent, independent and interdependent. Each stage represents a level of maturity and responsibility for safety. The goal is to move from the reactive stage, where injuries are frequent and seen as inevitable, to the interdependent stage, where workplace-related injuries are rare and are prevented through a shared sense of ownership and responsibility.

Health promotion activities

Coor continuously works to reduce absenteeism due to illness. In addition to direct activities aimed at influencing absenteeism, we are developing the capability to data-drivenly observe and measure the correlation between employee engagement and absenteeism. Sick leave increased from 6.8 per cent to 7.1 per cent during the year.

At country level, Coor is engaged in various types of health promotion activities, such as ensuring that all employees have access to occupational health services, wellness benefits and health checks. As part of the process of introducing new managers and employees to their roles, Coor communicates the importance of health and safety at the workplace. Managers also take a mandatory course in health and safety.

Society engagement

Coor Society Program is our platform for our social commitment. Coor Society Program initiatives can be implemented both centrally and locally. Coor seeks to ensure that all initiatives are run through partnerships with well-established partners and that all relevant topics are closely related to Coor’s core business and values as well as the company’s four focus areas for social responsibility: health & safety, diversity & inclusion, development & engagement, and building a better society. The initiatives are monitored continuously by the HR Management Team, which is led by the Group HR Director. In 2023, Coor implemented initiatives aimed at getting people into work and organised a number of charity events among other activities. Further information about some of these events is provided in the section Responsible business.

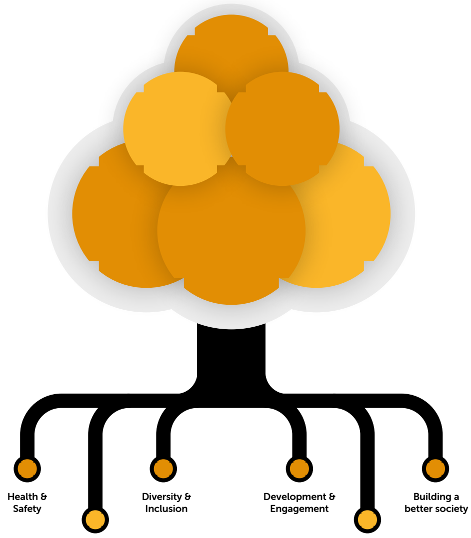
Human rights

Coor is committed to developing a way of working and an organisational culture that implements a policy based on support for internationally recognised human rights and on avoiding complicity in human rights violations. We support the principles of the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises and ILO Declaration on Fundamental Principles and Rights at Work. Other examples that have a direct impact on Coor’s operations are the adoption of the Norwegian Transparency Act and the proposed mandatory EU legislation on environmental and human rights.

The purpose of the due diligence process implemented by

Coor's framework for social responsibility

At Coor, we have chosen to illustrate our framework for social responsibility with a tree where the roots symbolise a stable foundation. The leaves at the top represent Coor Society Program where Coor reaches out to the most vulnerable groups in the societies in which we operate. The best ideas and partnerships from Coor Society Program are then developed into Coor's next strategic development initiatives, for which broad support is built across the business, as symbolised by the trunk. An example of the latter is Coor's language courses – an initiative that began as a local activity under Coor Society Program but is now being implemented in our various countries. Some of these development initiatives in turn become part of Coor's fundamental employee processes – symbolised by the root system. Just as a root system grows over time, this growth is gradual and the tree remains stable. Through this framework, Coor ensures continuous development, with flows between the foliage and root system. Coor's social responsibility activities, from Coor Society Program all the way through the trunk, must have a clear connection to our daily operations and our processes, from customers and employees to suppliers.



COOR SOCIETY PROGRAM
Society engagement

SOCIAL DEVELOPMENT
Strategic development projects increasinag Coor's impact

FOUNDATION
Well anchored people processes

Coor is first and foremost to avoid causing or contributing to adverse effects on people, the environment and society, and to prevent negative effects that are directly linked to operations, products or services through business relationships. If it is not possible to avoid contributing to adverse effects, the due diligence process should enable us to mitigate the effects, prevent their recurrence and, where possible, remedy them.

In 2022–2023, Coor conducted an in-depth risk assessment (human rights impact assessment, HRIA) in social sustainability with the aim of identifying Coor's main risks linked to human rights and labour rights. Many of the identified risks are linked to physical injuries and/or conditions as well as mental health problems, mainly related to our own employees. You can read more about how we are working to reduce these risks in the section Work environment and risk prevention. Although the highest potential severity has been identified in the work environment area, the HRIA also showed an increased risk of exploitation of workers, both in cleaning and property management. Coor naturally takes this very seriously and has begun work to identify activities and the need for new or updated procedures to reduce this risk. There is, for example, an increased need for training both in recruitment and at management level. This also applies in cases where Coor uses subcontractors to perform certain services. From an employer perspective, Coor has long been aware of the issue, including the importance of the freedom to enter into collective bargaining agreements, but with an individual-level perspective on human rights that insight has deepened and we realise that further measures are necessary.

The risk that our activities will have negative effects on human rights, or be linked to such effects, also exists at the supplier level and in connection with outsourcing. In 2023, Coor continued to develop its due diligence process in procurement, as described in the section Sustainable supply chain. We are also reviewing the way we conduct environmental and social due diligence in connection with new deals and acquisitions with the aim of developing our existing processes where required.

100 per cent of the security personnel, primarily guards, employed by Coor are trained in industry-relevant frameworks concerning human rights. This also applies to subcontractors.

You can read more about Coor's efforts to protect human rights in the separate report released in June 2023. The report is available on Coor's website.

Goals, performance and statistics

Work-related accidents, Coor employees	**2023**	**2022**	**2021**
Number of work-related injuries	110	138	141
TRIF [1]	5.5	7.0	8.9
LTIF [2]	4.9	6.2	8.3
Number of injuries with serious consequences [3]	0	0	0
Accident frequency, serious injuries [3]	0	0	0

Work-related accidents, non-Coor employees [4]	**2023**	**2022**	**2021**
Number of work-related injuries	10	10	10
Number of injuries with serious consequences [3]	0	0	0

1) TRIF (total recorded injury frequency) measures the total number of injuries during the period. The following formula was used to calculate TRIF: total number of injuries x 1,000,000/number of working hours. Injuries on the journey to and from work are excluded.

2) LTIF (lost time injury frequency) measures the total number of injuries resulting in an employee's absence from work for more than 8 hours. The following formula was used to calculate LTIF per million hours worked: number of injuries resulting in sick leave (8 hours) x 1,000,000/number of working hours. The number of hours worked in 2023 was 20,019,547.

3) Injuries with serious consequences are defined as those resulting in more than six months' absence, excluding death.

4) The figures for "Work-related accidents, non-Coor employees" refer to people who perform work for Coor but are employed by a subcontractor.

Health and wellness activities	Result 2023	Result 2022	Result 2021
Sick leave, %	7.1	6.8	7.7
Number of risk observations	11,384	9,126	9,673
Number of incidents	929	916	986

Employee surveys	Result 2023	Result 2022	Result 2021
Sweden			
Employee survey score	76	76	76
Leadership Index	79	79	80
Inclusion Index	82	81	83
Safety Index	85	83	83
Denmark			
Employee survey score	77	78	81
Leadership Index	79	79	83
Inclusion Index	81	81	84
Safety Index	80	79	80
Norway			
Employee survey score	75	74	76
Leadership Index	81	79	83
Inclusion Index	81	80	83
Safety Index	87	87	88

Employee surveys	Result 2023	Result 2022	Result 2021
Finland			
Employee survey score	77	78	81
Leadership Index	77	78	80
Inclusion Index	78	77	79
Safety Index	86	82	83
Total Group			
Employee survey score	76	76	78
Leadership Index	79	79	81
Inclusion Index	81	81	83
Safety Index	84	82	83

	2023		2022	
Average number of training hours per employee	**Women**	**Men**	**Women**	**Men**
Board of Directors	1	3	1	1
Executive management team	13	15	14	14
Employees with staff management responsibilities [1]	16	15	11	9
Other employees [1]	2	3	7	6

1) Excluding Denmark, Norway, Finland and Belgium.

Percentage of employees who have received regular performance and career development evaluations and reviews, %	2023 Women	2023 Men	2022 Women	2022 Men
Executive management team	100%	100%	100%	100%
Employees with staff management responsibilities [1]	91%	95%	77%	77%
Other employees [2]	80%	80%	76%	77%

1) Excluding Denmark, Norway and Belgium.
2) Excluding Finland, Denmark, Norway and Belgium.

Employees at 31 Dec[1]	2023 Employees	2023 Share of women	2022 Employees	2022 Share of women
Coor Group				
Total no. of employees	147	52%	138	51%
No. of permanent employees	147	52%	138	51%
– Of whom full-time	*145*	*52%*	*136*	*50%*
– Of whom part-time	*2*	*50%*	*2*	*100%*
No. of fixed-term employees	0	0%	0	0%
Contract staff	258	19%	278	20%
Auxiliary/on-call staff	4	n/a	4	n/a
Norway				
Total no. of employees	1,733	62%	1,588	63%
No. of permanent employees	1,644	62%	1,540	61%
– Of whom full-time	*1,199*	*58%*	*1,092*	*57%*
– Of whom part-time	*445*	*72%*	*448*	*77%*
No. of fixed-term employees	89	62%	30	63%
Contract staff	0	0%	41	32%
Auxiliary/on-call staff	535	n/a	473	n/a
Denmark				
Total no. of employees	3,675	59%	4,123	59%
No. of permanent employees	3,674	59%	4,121	59%
– Of whom full-time	*1,406*	*48%*	*1,437*	*48%*
– Of whom part-time	*2,268*	*65%*	*2,684*	*65%*
No. of fixed-term employees	1	0%	2	0%
Contract staff	18	33%	37	43%
Auxiliary/on-call staff	2	n/a	5	n/a
Sweden including Belgium [2]				
Total no. of employees	6,487	61%	5,732	59%
No. of permanent employees	6,159	61%	5,509	58%
– Of whom full-time	*4,621*	*56%*	*4,165*	*54%*
– Of whom part-time	*1,538*	*74%*	*1,344*	*71%*
No. of fixed-term employees	328	70%	223	66%
Contract staff	322	23%	184	38%
Auxiliary/on-call staff	1,683	n/a	1,515	n/a
Finland including Estonia				
Total no. of employees	1,114	55%	1,020	61%
No. of permanent employees	1,093	55%	982	61%
– Of whom full-time	*678*	*55%*	*752*	*60%*
– Of whom part-time	*415*	*54%*	*230*	*64%*
No. of fixed-term employees	21	48%	38	55%
Contract staff	5	60%	8	75%
Auxiliary/on-call staff	182	n/a	232	n/a
Total no. of employees	**13,156**	**60%**	**12,601**	**59%**

1) Counted as number of employees, not FTE.
2) 2022: Excluding Centrumstäd.

Employees at different levels	2023 Number	2023 Share of women	2022 Number	2022 Share of women
Board of Directors	**6**	**67%**	**9**	**44%**
Under 30 years	0	0%	0	0%
30–50 years	1	100%	1	100%
Over 50 years	5	60%	8	38%
Management	**11**	**36%**	**11**	**27%**
Under 30 years	0	0%	0	0%
30–50 years	2	0%	2	0%
Over 50 years	9	44%	9	33%
Employees with staff management responsibilities	**1,058**	**53%**	**1,052**	**50%**
Under 30 years	25	52%	31	71%
30–50 years	597	54%	585	52%
Over 50 years	436	51%	436	47%
Other employees	**12,087**	**60%**	**11,600**	**60%**
Under 30 years	1,681	60%	1,693	62%
30–50 years	5,966	60%	5,748	60%
Over 50 years	4,440	61%	4,159	60%

Staff turnover

New hires during the year	2023 Employees	2023 Share of women	2022 Employees	2022 Share of women
Coor Group				
Under 30 years	8	50%	6	66%
30–50 years	16	63%	23	70%
Over 50 years	7	71%	3	100%
Norway				
Under 30 years	88	39%	40	83%
30–50 years	198	53%	173	73%
Over 50 years	57	42%	63	59%
Denmark				
Under 30 years	286	68%	227	59%
30–50 years	512	57%	560	57%
Over 50 years	235	57%	349	54%

New hires during the year	2023 Employees	2023 Share of women	2022 Employees	2022 Share of women
Sweden including Belgium				
Under 30 years	249	61%	296	55%
30–50 years	486	55%	562	54%
Over 50 years	207	52%	189	54%
Finland including Estonia				
Under 30 years	233	52%	307	64%
30–50 years	247	50%	281	54%
Over 50 years	63	48%	90	67%
Total no. of new hires, the Group [1]	2,892	55%	3,169	58%
Share of new employees	*22%*		*25%*	

Terminations during the year	2023 Employees	2023 Share of women	2022 Employees	2022 Share of women
Coor Group				
Under 30 years	2	0%	3	100%
30–50 years	9	44%	9	33%
Over 50 years	6	50%	2	100%
Norway				
Under 30 years	3	100%	29	55%
30–50 years	56	46%	126	52%
Over 50 years	24	42%	65	68%

Terminations during the year	2023 Employees	2023 Share of women	2022 Employees	2022 Share of women
Denmark				
Under 30 years	147	65%	312	64%
30–50 years	235	54%	676	58%
Over 50 years	154	55%	405	60%
Sweden including Belgium				
Under 30 years	165	74%	254	63%
30–50 years	353	54%	428	48%
Over 50 years	215	52%	208	53%
Finland including Estonia				
Under 30 years	250	61%	144	73%
30–50 years	258	63%	195	63%
Over 50 years	93	69%	70	69%
Total no. of terminations, the Group [1]	1,970	59%	2,926	59%
Share of terminations	*15%*		*23%*	

1) The fluctuation of new hires and terminations is considered to fall within the normal variation.

ENVIRONMENTAL RESPONSIBILITY & EMISSIONS

Impact

Coor's own activities have an environmental impact in the form of energy consumption, emissions from transports and the management of chemicals, waste and raw materials. The area that has the greatest environmental impact for Coor in terms of emission volumes is purchased goods and services, in Scope 3. Environmental footprint is the environmental impact that Coor's operations give rise to. Environmental handprint is what Coor calls the measures we implement to help our customers reduce their environmental footprint. Handprint is an important part of our customer offering. To ensure systematic, high-quality environmental management throughout the company, both internally and in Coor's efforts to improve its customers' environmental management, the company has introduced a mandatory basic environmental training course which all employees are required to complete during their first year of employment.

Governance

The Group Head of Sustainability is responsible for strategic development work in the environment and climate area and is invited to the executive management team when necessary. The CFO monitors the issues addressed at all meetings with the executive management team. A separate management team, the Sustainability Management Team (SuMT), which reports directly to the EMT, is responsible for governance, decisions on focus areas and prioritisation of major strategic sustainability initiatives as well as monitoring.

The national heads of sustainability as well as the Group Head of Sustainability and the Group climate officers together form the Green Council, which is responsible for rolling out the strategy. The national representatives in the Green Council in turn secure resources and build commitment from employees at the local level for the implementation of the strategy.

The governing documents in the area are Coor's Sustainability Policy and Environment and Climate Policy, both of which are owned and approved by the executive management team. Our policies advocate the precautionary principle.

Activities

Emissions

Coor calculates greenhouse gas emissions according to the Greenhouse Gas Protocol (GHG Protocol). Coor's operations give rise to direct emissions of greenhouse gases from our vehicle fleet and machinery (Scope 1), indirect emissions from energy consumption in the form of electricity, heating and cooling (Scope 2) and emissions that occur in our value chain where Coor does not always own the process or have direct control over production (Scope 3). These include purchases of goods and services, business trips and employees commuting to and from work. Our goal is to reduce our Scope 1 and 2 emissions by 75 per cent by 2030 compared with our baseline year 2018. Scope 1 emissions are generated by our vehicle fleet, which includes service vehicles and company cars for private use, in cases where Coor pays for the fuel, as well as our machinery. The transition to an electrified vehicle fleet has begun. There are challenges regarding access to infrastructure and we continued to experience challenges in 2023 resulting from longer delivery times for electric vehicles, as in 2022.

Scope 2 comprises energy consumption in the form of electricity, heating and cooling in the premises where Coor has operational control over energy consumption. Energy is consumed mainly in the form of electricity and heat. District heating is the principal form of heating. Energy reviews are carried out annually.

Coor works continuously to reduce energy consumption in its premises. Compared with the baseline from 2018, measures have been implemented that have reduced the absolute level of tCO_2e. In 2023, 77 per cent of the electricity came from renewable sources, compared with 64 per cent in 2022. An important part of this work is to continue the transition to renewable electricity.

We also want to do what we can to reduce our Scope 3 emissions. We therefore also have targets and developed processes for monitoring some of our indirect Scope 3 emissions. For food and beverages, we are aiming to reduce $kgCO_2e$/kg by 30 per cent by 2025, from the base year 2018. For 2023, the reduction is 19 per cent (2.15 $kgCO_2e$/kg) compared with the base year 2018 (2.66 $kgCO_2e$/kg). In the 2022 annual report, we reported the base year figure as 2.62 $kgCO_2e$/kg. After updating historical data for food and beverages, the base year figure for 2018 has been recalculated at 2.66. The goal of a 30 per cent reduction by 2025 compared with the base year remains unchanged.

In Scope 3, we have a further goal that is related to our supply chain. The goal is for 75 per cent of emissions from the Scope 3 categories purchased goods and services as well as upstream transportation to come from suppliers who have had their targets validated by the SBTi or an equivalent body by 2026. The status for 2023 is that 18 per cent of our suppliers are validated by SBTi.

Coor is also driving change in property services and cleaning, with a clear ambition to reduce greenhouse gas emissions there as well. This will be achieved partly through remote monitoring and control of customers' energy systems, which reduces the need for travel to and from the customer, and through Eco-labelled cleaning processes.

Tool for analysing Coor's greenhouse gas emissions

In 2019, Coor calculated its total greenhouse gas emissions to obtain a complete overview of the climate impact of the company's operations, including raw material consumption. One of the insights gained from this study was that the calculations needed to be refined and be made more frequent to enable us to identify measures to reduce greenhouse gas emissions and reflect the effect of implemented measures. In 2023, Coor continued to develop a tool to calculate the climate impact of greenhouse gas emissions (CO_2e). The tool was taken into use in spring 2022 and work on further validating the data and automating the processes continued throughout 2023. In addition to Scopes 1 and 2, Coor is focusing on three main service areas that account for the largest share of emissions in developing the climate impact tool: food and beverages, property services and cleaning. To assist this effort, Coor has forged partnerships with leading experts in life cycle analysis and climate impact calculation. The aim is to carry out a thorough measurement of greenhouse gas emissions from the company's operations and consumption of raw materials, including the development of an analysis tool that will support decision-makers in making more data-driven decisions when it comes to reducing Coor's climate impact.

The method for calculating emissions from food and beverages is based on supplier data supplemented with climate scores from a climate database for food, which in turn is based on life cycle analyses of more than 750 food categories and more than 1,500 climate scores.

Updated emission factors

Coor's Scope 1 and 2 emissions are calculated using activity data and account for 3 per cent of our total emissions. The remaining 97 per cent are Scope 3 emissions, of which one third are calculated using activity data and two thirds using a spend-based method. During the year, we implemented new spend emission factors and updated our calculations. The new spend emission factors take into account the best available data for our products and services. The updated spend emission factors have been applied for 2023 as a whole. The update affects the entirety of our emissions through an increase of 38 per cent compared with the same purchased volumes during the same time period calculated with the old emission factors. The biggest differences are in the service areas workplace services – specifically coffee-related services – and in property and security.

Since our Supplier Engagement goal in Scope 3 is largely calculated based on this data, the update of spend emission factors affects the outcome. For 2023, the result was 18 percent validated suppliers compared to 4 percent in 2022. Of this increase, 3.4 percentage points are attributed to updated emission factors, while the majority is due to more connected suppliers. Read more about the goal on page 142.

Management of raw materials

Of Coor's emissions calculated in the base year 2018, 3 per cent of greenhouse gases came directly from our operations (Scopes 1 and 2). The vast majority of Coor's greenhouse gas emissions are indirect Scope 3 emissions, arising from purchased goods and services linked to our service delivery to the customer. In addition to reducing our direct emissions, we also want to reduce those indirect emissions that we can influence. Coor's greatest opportunity to help address the global climate challenge right now is to reduce our footprint in food and beverages. Coor provides restaurant and café services across the Nordic region and serves patient meals under the Signatur by Coor brand. This makes Coor a major buyer of food. The goal is to reduce greenhouse gas emissions from purchased food by 30 per cent by 2025 compared with 2018. A high-priority issue for Coor is how to encourage new eating habits, such as increasing the intake of plant-based foods. The restaurant business also focused on the new EU regulation on reusable materials, and work is under way to connect our restaurants to deposit return schemes with the aim of reducing and ultimately eliminating the use of singleuse materials from our restaurants.

For several years, Coor has been working actively to increase the share of organic and locally produced ingredients, but the company has also sought to make greater use of the ingredients, using parts that have not traditionally been used. Another initiative is aimed at improving animal welfare and minimising the number of animal transports. In Norway, Coor is engaged in Matfloken, an initiative aimed at promoting better, more sustainable and nutritious eating habits. Coor is also participating in the Food (R)evolution and International Food and Beverage Alliance projects. The latter project is being promoted by the UN Global Compact with the aim of establishing guidelines for best practices for sustainable food distribution and consumption. Together with several universities, Coor is supporting the research centre PAN Sweden, whose goal is to improve our understanding of plant-based proteins and establish a scientific basis for developing good and healthy foods that consumers want to eat.

In Denmark, Coor has continued and intensified its collaboration with Slow Forest Coffee through which we gain insight into the entire cultivation process for increased biodiversity and ensure good working conditions for the employees of the coffee plantation. Coor Denmark has started the process for Nordic Eco-labelling of the majority of its restaurants. The Nordic Eco label indicates that a restaurant has clear standards for the proportion of organic raw materials, chemicals use, food waste and other sustainability aspects.

Energy advice

Qualified energy advice is a service that is increasingly being demanded by customers due to the current global environment marked by increased energy prices and capacity shortages in the electricity grid. Like Coor, many of our customers have climate-related targets and KPIs linked to their energy consumption. Coor helps its customers reduce their actual energy use through energy audits combined with a systematic approach, which has proved a successful method to improve the efficiency of energy use.

Coor offers a comprehensive range of energy efficiency services, which are designed to help customers optimise their energy use and meet their individual energy goals. Using a systematic approach to energy efficiency, Coor works continuously with its customers and the local operations staff to achieve the desired energy efficiency results.

A central part of Coor's offering includes detailed energy audits in accordance with the Swedish Act on Energy Audits in Large Enterprises (2014:266). Coor is also certified for energy-efficient operation of data centres.

To support its customers' new build or conversion projects, Coor carries out technical site assessments. These assessments focus on identifying specific energy-saving measures and clarifying whether the existing systems can handle the changes effectively. Coor's energy controller services are focused on facilitating the administrative aspects linked to energy use, with the aim of reducing the customers' costs. This includes energy monitoring, energy budgeting, analysis of leases and electricity agreements, reclamation of energy tax, and the provision of quality-assured statistics and documentation. Through these services, customers gain insight into their energy consumption, enabling them to monitor and improve the efficiency of their energy use.

Chemicals management

With chemicals management remaining a key focus area, Coor has continued its efforts to replace chemicals with greener options in all countries. Each country uses chemicals management systems that provide guidance on the environmental impact of different products, safety data sheets and risk assessments.

Coor has continued its ongoing monitoring of chemicals to reduce the environmental and health impacts. Coor identifies the number of chemicals containing substances included in Coor's list of chemical substances that are prohibited for health and environmental reasons. The focus during the year was on reducing the proportion of prohibited chemicals. Coor reduced the number of prohibited chemicals by –20 per cent in 2023 compared with 2022. The chemicals that still need to be replaced are used primarily in property services and a small number in cleaning services. The chemicals concerned are disinfectants used in care environments and certain floor care and deep clean chemicals. A further positive effect of replacing these chemicals with better alternatives is that the replacement product is often eco-labelled.

Waste management and food waste

Waste management is ultimately governed by Coor's sustainability policy and is thus part of Coor's sustainability management. Coor has been sorting waste at its main offices for a number of years, and a large portion of all waste is recycled. We continuously monitor movement patterns to ensure that suitable sorting bins are available at appropriate locations. Computers and other hardware that are no longer used are handed to specialists, who ensure that they are reused or recycled in a responsible manner. For Coor, it also goes without saying that we should reduce the use of plastic products and replace single-use products with more eco-friendly options in our delivery. Hazardous waste is handled locally in the various deliveries, where responsibility rests with the contract manager, with support from HSEQ coordinators. We are constantly looking for new innovations in waste management, both in our own business and in our customer deliveries. Coor also expects a high standard from our partners in terms of striving for efficiency and continuous improvement with the aim of reducing the amount of waste going to landfill and promoting circular flows.

For several years, Coor has been working actively to reduce food waste in both the preparation and serving stages, with good results. Coor Sweden is a member of SAMS (Collaboration for Reduced Food Waste), a voluntary agreement between food chain participants that forms part of the Swedish government's food strategy. Coor is represented in the steering group for this collaboration, whose purpose is to contribute to achieving Target 12.3 of UN SDG 12 – a halving of global food waste by 2030. In Norway, Coor has entered into a partnership with Matvett, a similar restaurant industry collaboration that has the same goal and ambition.

Targets for food waste are set and followed up on a quarterly basis. There is a high level of commitment and interest from both employees and guests in how we can work together to reduce food waste. Coor works continuously to optimise procedures in its restaurants and to obtain the most accurate measurements possible. To succeed in reducing food waste, we need to work with the guests, through information and nudging. Internally, Coor uses guides and webinars, in addition to ongoing monitoring, to maintain its focus on this area.

Thanks to a strong focus on reducing food waste through refined work processes, we have maintained a stable level, which resulted in 42.4 grams per guest in 2023, against a target of 42 grams.

Water use

Water as a resource is a material topic. Coor consumes water in its own offices but water is also used in our service delivery in the form of laundries in cleaning services and irrigation of outdoor environments. However, that water use is often under the operational control of our customers and is therefore included in their reports. Coor, on the other hand, has a strong focus on reducing water pollution, for example from the use of chemicals, and is taking active measures in this area. See the section Chemicals management. The search for innovative solutions related to water as a resource remains a high priority.

Measuring and monitoring water use, partly in our own premises but above all in our service delivery, remains challenging and Coor is continuously evaluating methods for meeting this need. There is still no comprehensive solution in place.

Coor is collaborating with Mimbly, which provides a sustainable and innovative laundry solution that we use ourselves at certain sites and that we also offer to our customers. The solution, called Mimbox, reduces most of the environmental effects of washing by drastically reducing the washing machine's water and energy use and by filtering out microplastics. Coor also offers services linked to water savings at customer premises, which are provided under its SmartWater concept.

Goals, performance and statistics

Supplier engagement	2023	2022
Percentage of SBTi-validated suppliers, % [1]	18	4

1) The goal is for 75 per cent of emissions from the Scope 3 categories purchased goods and services as well as upstream transportation to come from suppliers who have had their targets validated by the SBTi or an equivalent body by 2026.

Energy consumption in the organisation, kWh [1]	2023	2022	2021
Fuel consumption (non-renewable)	0	0	21,593
Electricity	4,861,929	3,656,243	3,272,354
Renewable	3,730,559	2,325,134	1,870,276
Non-renewable/unspecified	1,131,370	1,331,109	1,402,078
Heating	2,112,701	1,952,190	3,279,215
Cooling	765,132	725,317	314,023
Total energy consumption	**7,739,762**	**6,333,750**	**6,887,184**

1) Coor reports in accordance with the GHG Protocol and reports energy consumption for buildings where Coor has operational control over the energy consumption. Energy consumption is based on actual consumption where possible. In buildings where it was not possible to collect actual energy consumption data, the figure has been estimated based on energy consumption for an equivalent operation in Coor in the same national market, on a per square metre basis.

Emissions of greenhouse gases, tCO_2e	2023	2022	2021
Scope 1 [1]	**3,048**	**3,369**	**3,243**
Mobile combustion	3,041	3,358	3,237
Stationary combustion	6	11	6
Scope 2 [2]	**323**	**333**	**445**
Electricity (market-based)	241	264	318
Electricity (location-based)	138	150	128
District heating	82	69	126
District cooling	0	0	1

Emissions of greenhouse gases, tCO_2e	2023	2022	2021
Scope 3 [3]	**155,953**	**113,516**	**89,553**
Purchased goods and services	137,165	94,880	77,046
Cleaning	24,243	14,043	25,737
Property and security	27,627	19,241	17,758
Food and beverages	42,779	27,167	19,646
Workplace services	12,439	5,754	4,713
Other services	29,906	28,632	9,095
Water use [4]	171	43	96
Capital goods	N/A	N/A	N/A
Fuel- and energy-related activities (not included in Scopes 1 or 2)	1,677	1,835	1,122
Upstream transportation and distribution [5]	9,434	7,711	5,207
Waste generated in operations	124	98	5
Wastewater treatment	109	90	-
Food waste	15	8	-
Business travel	158	1,844	378
Employee commuting	1,683	1,641	5,795
Use of sold products	5,713	5,507	-
Total	**159,324**	**117,218**	**93,241**
Biogenic emissions (not included in Scopes 1, 2 and 3) [6]	606	194	278

1) The base year for Coor's climate calculations is 2018. In 2018, Scope 1 emissions totalled 2,678 tCO_2e. Scope 1 emissions are calculated based on purchased volume of fuel and fuel type and are multiplied by emission factors for each fuel type. The consolidation method is operational control. Emission factors from DEFRA as well as supplier-specific ones. A full year is considered as rolling 12 months; Dec '22-Nov '23.

2) The base year for Coor's climate calculations is 2018. In 2018, Scope 2 emissions totalled 772 tCO_2e (market-based) and 350 tCO_2e (location-based). The consolidation method is operational control. Location-based is not included in the total in the table above. Emission factors from DEFRA, Sthlm Exergi, Energiföretagen, Vattenfall, AIB, IEA. A full year is considered as rolling 12 months; Dec '22-Nov '23.

3) The base year for Coor's climate calculations is 2018. In 2018, Scope 3 emissions totalled 123,596 tCO_2e. Coor calculates its carbon emissions in accordance with the GHG Protocol. Emission factors for food and beverages have been taken from the RISE Food Climate Database. Emission factors based on spending are based on the Procurement Authority's emission factor database and methodology developed together with climate experts. The update of spending-based emission factors has taken place and affects the entire year of 2023, see page 140. A full year is considered as rolling 12 months; Dec '22-Nov '23.

4) The methodology for calculating water usage varies between years. Factors such as expanded operations and the number of employees at the offices also affect the values.

5) Purchased transportation and distribution, higher values for 2023 are attributed to the inclusion of refrigerated transport in the calculation methodology.

6) The increase in biogenic emissions from Scope 1 is due to a significant increase in HVO.

Chemicals management, %	2023	2022	2021
Proportion of eco-labelled chemicals used in cleaning	61	60	64

Waste management, g/guest	2023	2022	2021
Food waste	42.4	38.2	42.7

SUSTAINABLE SUPPLY CHAIN

Impact

Coor's main purchases consist of services and products in property services, cleaning, and food and beverages. With purchased goods and services accounting for an important part of the delivery to the customers, Coor is working to build sustainable long-term supplier relationships in order to achieve its strategic sustainability goals. Purchases should contribute to Coor's long-term profitability through the procurement of sustainable products and services in both the short and long term.

Coor carries out a risk-based due diligence by regularly and systematically identifying and assessing risks and impacts linked to human rights, labour rights, environmental protection and anti-corruption in its value chain and using this information to avoid, mitigate or remedy the effects and ensure that the Group conducts its business in a responsible manner.

Governance

The Group's Procurement Manager is responsible for strategic development in the area of procurement and is invited to the executive management team when necessary. The CFO monitors the issues addressed at all meetings with the executive management team. The national procurement managers and Group Procurement Manager together form a council called Nordic Purchasing Management, which is responsible for ensuring that the strategy and priorities are rolled out, complied with and implemented.

The governing document in the area is Coor's Procurement Policy, which is approved by the executive management team.

Coor expects a high standard in all parts of the value chain and strives to ensure that it operates on the basis of sound business ethics in its relations with suppliers. Coor is a signatory to the UN Global Compact and contributes to achieving its goals by taking a clear position in its procurement policy and applying a responsible procurement process, inspired by the UN Global Compact Management Model and its six steps: commit, assess, define, implement, measure, communicate, as illustrated below.

Activities

Requirements for suppliers

To ensure a sustainable supply chain, Coor has developed contract templates that support Coor's long-term ambitions to become truly sustainable. This includes setting clear requirements for Coor's supply chain through our Supplier Code of Conduct and in sustainability and information security. To ensure that our requirements are met, Coor places a strong emphasis on compliance with our Code of Conduct and with contract terms. The supplier must be able to demonstrate sound sustainability practices for design, manufacture and delivery. Negative social and environmental consequences throughout the life cycle must be reduced and factors such as energy consumption, material use and final disposal must be taken into account. In 2023, Sustainability Requirements for Suppliers was updated to include more comprehensive requirements for suppliers regarding due diligence and human rights in their own operations and in the supply chain. Coor

*Supply chain sustainability refers to the management of environmental, social and economic impacts and encouraging good governance practices, throughout the life cycles of goods and services.**

* "Supply Chain Sustainability: A Practical Guide for Continuous Improvement", Second Edition, 2015, UN Global Compact and BSR.

has signed up to the SBTi and had its net zero targets validated in 2023. One of the goals is for 75 per cent of emissions from the Scope 3 categories purchased goods and services as well as upstream transportation to come from suppliers who have had their targets validated by the SBTi or an equivalent body by 2026. In 2023, several activities were carried out in the area of supplier engagement, including webinar-based training activities where suppliers were invited to learn more about the SBTi and Coor's environmental protection requirements. You can read more about our supplier engagement goal in the section Environmental responsibility and emissions.

Supplier Code of Conduct

Coor's goal is to become a truly sustainable company. This means that Coor strives to act as a good corporate citizen that not only takes responsibility for its own development but also for its impact on all people, the environment and society as a whole. The basis for corporate responsibility, and for Coor's sustainability management, is determined by the UN through its "Protect, Respect and Remedy" framework and the accompanying Guiding Principles on Business and Human Rights. Since 2014, Coor has been working actively on a Supplier Code of Conduct, which suppliers are required to accept before a contract is signed. A violation of the Code is treated as a breach of contract and can lead to the termination of Coor's relationship with the supplier. Among other requirements, the Code requires that all Coor's suppliers comply with the principles of the UN Global Compact, the UN international human rights framework, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Anti-Bribery Convention.

Due diligence in the supply chain

In 2022–2023, a more in-depth risk assessment (human rights impact assessment, HRIA) was carried out where two procurement categories were prioritised: food and beverages, and workwear and shoes.

The following salient aspects related to human rights in the supply chain for food and beverages and workwear and shoes were assessed:

- The right not to be forced into child labour
- The right not to be forced to perform forced labour, including the right to freedom of movement
- The right to non-discrimination
- The right to freedom from harassment and sexual harassment
- The right to freedom of association and collective bargaining, including non-discrimination against union members
- The right of indigenous peoples to their lands, territories and resources, as recognised in the UN Declaration on the Rights of Indigenous Peoples

In preparing the risk assessment, additional activities to improve Coor's systematic risk management linked to the procurement categories were identified. In 2023, a major initiative to review the risk model and ensure that it covers the whole of Coor's value chain was started.

The process implemented in Procurement is based on the UN Guiding Principles for Business and Human Rights and the OECD Guidelines for Multinational Enterprises. The process helps us identify, prevent, mitigate and describe how we manage these actual and potential negative impacts on our supply chain.

All procurement categories are risk-assessed based on four aspects: human rights, labour rights, environmental protection and anti-corruption. Where a high risk is identified in one or more areas, Coor uses mitigation activities to mitigate the effects and prevent their recurrence.

Work is ongoing on integrating the risk assessment into the company's processes in order to address the identified risks cross-functionally.

In 2023, 154 suppliers were classified as high-risk suppliers. A new supplier is required to meet our sustainability and information security requirements, sign our Supplier Code of Conduct and accept our general terms of purchase before being approved to deliver products or services to Coor. All new suppliers (100 per cent) undergo this process to ensure compliance with environmental and social requirements, including during 2023.

In 2023, 90 per cent of Coor's purchases were made under contracts with suppliers awarded through a bidding process. Coor's Supplier Code of Conduct is available to all business partners on Coor's external website.

Monitoring of suppliers

Coor actively monitors compliance with the company's Supplier Code of Conduct. Every year, a plan for supplier monitoring is formulated based on the risk assessment for our supply chain, which states which suppliers need to be evaluated and audited. In a supplier evaluation, suppliers answer questions regarding compliance with Coor's Supplier Code of Conduct, quality, environment, work environment, and health and safety. In 2023, 48 evaluations were carried out and followed up by procurement managers. The supplier audits are carried out either on site at the supplier's premises or online. The auditors monitor compliance by interviewing staff, reviewing documents and, where possible, inspecting the work environment. During the year, Coor conducted 62 audits with the help of the company's internal auditors or a third party. Deviations in the social area were identified for 34 per cent of the audited suppliers. All deviations are followed up with a Corrective Action Plan (CAP). No supplier has been terminated as a result of audit results.

Goals, performance and statistics

Supplier monitoring	2023
Number of suppliers for which actual or potential risks regarding social aspects were identified	154
Number of suppliers audited for social compliance	110
– of which percentage where deviations were identified	34%
– of which percentage of contracts terminated as a result of the audit	0%
Contractual loyalty in respect of purchases, annual average, %[1]	90%

1) Percentage of purchases from central and local suppliers with agreements.

The Taxonomy Regulation

In July 2020, the EU Taxonomy Regulation – a common classification system for environmentally sustainable economic activities – was introduced. The regulation is part of the EU's Green Deal and is a key means of directing capital flows towards more sustainable economic activities.

Large companies are required to report the proportion of their activities that is Taxonomy-eligible and Taxonomy-aligned. The Taxonomy determines whether an economic activity is sustainable on the basis of technical screening criteria for making a substantial contribution to at least one of the six environmental objectives and not causing significant harm to any of the other five environmental objectives defined for economic activities. Taxonomy-aligned activities must also comply with minimum safeguards to ensure that fundamental human rights are respected and good business practices are followed.

The EU Taxonomy defines six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- The sustainable use and protection of water and marine resources
- The transition to a circular economy
- Pollution prevention and control
- The protection and restoration of biodiversity and ecosystems

The Taxonomy Regulation is still under development and covers only a limited number of activities, as defined in the regulation. In 2023, the Taxonomy was expanded to include the four remaining environmental objectives and a number of additional activities. However, the change has not had any significant impact on Coor as still only a very limited proportion of Coor's activities are Taxonomy-eligible.

In its annual report, Coor provides comprehensive information on the Group's sustainability performance, including details on greenhouse gas emissions and climate impact that go beyond the legal requirements for the Taxonomy Regulation.

Taxonomy-eligible activities

Coor has evaluated the Group's economic activities and established that the proportion of distinguishable economic activities eligible under the Taxonomy is extremely small.

Turnover

Total turnover comprises net sales as reported in the income statement. The majority of Coor's activities are currently not Taxonomy-eligible. Eligible turnover comprises the external turnover generated from the economic activities which Coor has identified as being Taxonomy-eligible. These activities consist of sales of installation projects for charging stations for electric vehicles (CCM 7.4), Installation of energy efficiency equipment (CCM 7.3) and advice related to energy performance of buildings (CCM 9.3). Eligible turnover represents 0.4 (0.2) per cent of total turnover. Of this turnover, no proportion is reported as Taxonomy-aligned as Coor is still quality-assuring its processes in order to ensure that this assessment is made correctly.

Investments (CapEx)

Total CapEx includes acquisitions of property, plant and equipment and intangible assets, excluding goodwill, as well as new right-of-use assets for the year. See Note 10 Intangible assets, Note 11 Property, plant and equipment, and Note 12 Leases. Assets identified as part of a business combination (excluding goodwill) are also included in the amount of total investments.

Eligible CapEx consists of investments in the 2023 financial year from suppliers with Taxonomy-eligible activities.

During the year, Coor signed leases for cars (CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles) and commercial premises (CCM 7.7 Acquisition and ownership of buildings). Otherwise, no proportion of the Group's investments is linked to Taxonomy-eligible activities.

Purchases from suppliers can only be assessed as Taxonomy-aligned if it has been possible to verify that the supplier has conducted Taxonomy-aligned activities. To determine that the economic activity is Taxonomy-aligned, Coor must ensure that the technical screening criteria for making a substantial contribution and doing no significant harm to the other environmental objectives have been met. Moreover, the supplier must have all processes for minimum safeguards in place. During the year, Coor was not able to verify with certainty that the suppliers' activities meet all the criteria and is therefore reporting all these investments as eligible but not Taxonomy-aligned. Coor is addressing these processes to ensure that it is possible to verify this in the future.

Of new car leases, 77 per cent refers to cars that meet the technical screening criteria of a maximum emissions of 50g CO_2e/km. Coor's goal is to replace all cars with electric cars over time.

Costs (OpEx)

The total costs (OpEx) included in the Taxonomy definition consist of costs for research and development, costs for service, repair and maintenance of the Group's non-current assets and costs for short-term leases (as defined in IFRS 16). The Group's non-current assets consist primarily of leases, small machines with low service, repair and maintenance costs, and IT solutions. Research and development largely consist of dedicated development resources. In development and innovation, Coor's strategy is to establish partnerships with other players engaged in developing innovative solutions where Coor provides the areas of application and contributes to concept development. The Group's total OpEx based on the Taxonomy definition is very limited.

Eligble OpEx consists in the 2023 financial year primarily of costs for resources involved in research and development related to the improving the energy performance of buildings (CCM 9.3) and maintenance costs related to leased cars (CCM 6.5).

Minimum safeguards

Coor has used the Platform on Sustainable Finance's Final Report on Minimum Safeguards as a basis for assessing its compliance with the minimum safeguards set forth in Article 18 of Regulation (EU) 2020/852. We have processes in place to ensure compliance with the minimum safeguards for anti-corruption, fair competition and taxation. We also follow the OECD's six steps for human rights due diligence. We have not been subject to any court judgments in any of these areas.

In addition to requiring that the economic activities make a substantial contribution to the green transition and do no significant harm (DNSH) to the other environmental objectives, the EU Taxonomy Regulation states that the activities can only be considered sustainable if they are carried out in compliance with certain minimum safeguards. This means, in particular, that the activities must be carried out in accordance with the UN Guiding Principles for Business and Human Rights and the OECD Guidelines for Multinational Enterprises. In order to meet this requirement, implemented processes are required to ensure that the company's activities to promote sustainability do not violate human rights or labour rights, and that the company does not engage in corruption, anti-competitive practices or controversial tax strategies. Violations are also considered to exist if there are legally binding court orders against the company in the four main areas. Coor has conducted a review of the company's policies and implemented processes in the four areas and of any violations. While mindful that the effort to ensure compliance with the minimum safeguards is an ongoing process of identifying and addressing risks that arise in response to changes in the operations and the external environment, Coor is of the opinion that its operations are being conducted in compliance with the requirements. Further information is provided in the sections Anti-corruption, Competition and Human rights in the sustainability notes and in the section regarding tax in Note 9 in the statutory annual report.

Nuclear and fossil gas related activities

Nuclear energy related activities	
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Turnover
Financial year 2023

	Year			Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		SEK million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
Of which Enabling		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	E	
Of which Transitional		–	–	–						–	–	–	–	–	–	–	–		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)				N; N/EL	N; N/EL	N; N/EL	N; N/EL	N; N/EL	N; N/EL										
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	25	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	12	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Professional services related to energy performance of buildings	CCM 9.3	16	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		53	0.4%	0.4%	–	–	–	–	–								0.2%		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		53	0.4%	0.4%	–	–	–	–	–								0.2%		
B. Taxonomy-non-eligible activities																			
Turnover of Taxonomy-non-eligible activities		12,390	99.6%																
TOTAL		**12,443**	**100%**																

Investments (CapEx)

Financial year 2023	Year			Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities	Code (2)	CapEx (3)	Proportion of CapEx, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		SEK million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
Of which Enabling		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	E	
Of which Transitional		–	–	–						–	–	–	–	–	–	–	–		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)				N; N/ EL	N; N/ EL	N; N/ EL	N; N/ EL	N; N/ EL	N; N/ EL										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	150	32%	EL	N/ EL	N/ EL	N/ EL	N/ EL	N/ EL								32%		
Acquisition and ownership of buildings	CCM 7.7	48	10%	EL	N/ EL	N/ EL	N/ EL	N/ EL	N/ EL								17%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		198	43%	43%	–	–	–	–	–								48%		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		198	43%	43%	–	–	–	–	–								48%		
B. Taxonomy-non-eligible activities																			
CapEx of Taxonomy-non-eligible activities		265	57%																
TOTAL		**464**	**100%**																

Costs (OpEx)

Financial year 2023	Year			Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities	Code (2)	OpEx (3)	Proportion of OpEx, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		SEK million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
Of which Enabling		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	E	
Of which Transitional		–	–	–						–	–	–	–	–	–	–	–		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)				N; N/EL	N; N/EL	N; N/EL	N; N/EL	N; N/EL	N; N/EL										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	10	53%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								37%		
Professional services related to energy performance of buildings	CCM 9.3	2	13%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								17%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		12	67%	67%	–	–	–	–	–								54%		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		12	67%	67%	–	–	–	–	–								54%		
B. Taxonomy-non-eligible activities																			
OpEx of Taxonomy-non-eligible activities		6	33%																
TOTAL		**18**	**100%**																

Auditor's opinion

AUDITOR'S LIMITED ASSURANCE REPORT ON COOR SERVICE MANAGEMENT HOLDING AB SUSTAINABILITY REPORT AND STATEMENT ON THE STATUTORY SUSTAINABILITY REPORT

To the annual general meeting of Coor Service Management Holding AB corporate identity number 556742-0806

Introduction
We have been engaged by the Board and Group Management of company Coor Service Management Holding AB to undertake a limited assurance of Coor Service Management Holding AB's Sustainability Report for the year 2023. The company has defined the scope of its sustainability report on page 128. The statutory sustainability report is defined on page 128.

Responsibilities of the Board and Group Management
The Board of Directors and Group Management are responsible for the preparation of the Sustainability Report, including the statutory sustainability report, in accordance with the applicable criteria and the Annual Accounts Act. The criteria are described on page 128 of the Sustainability Report, and consists of the parts of the GRI Sustainability Reporting Standards which are applicable to the Sustainability Report, as well as the accounting and calculation principles that Coor Service Management Holding AB has developed. This responsibility also includes the internal control which is deemed necessary to establish a sustainability report that does not contain material misstatement, whether due to fraud or error.

Responsibilities of the auditor
Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to provide a statement on the statutory sustainability report. Our assignment is limited to the historical information that is presented and thus does not include future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report and applying analytical and other limited assurance procedures. We have conducted our examination regarding the statutory sustainability report in accordance with FAR's recommendation RevR 12, the Auditor's Opinion on the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 have a different focus and a considerably smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The audit firm applies ISQM 1 (International Standard on Quality Management) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent in relation to Coor Service Management Holding AB according to generally accepted auditing standards in Sweden and have fulfilled our professional ethics responsibility according to these requirements.

The procedures performed in a limited assurance engagement and an examination according to RevR 12 do not allow us to obtain such assurance that we become aware of all significant matters that could have been identified if an audit was performed. The conclusion based on a limited assurance engagement and an examination in accordance with RevR 12, therefore, does not provide the same level of assurance as a conclusion based on an audit has.

Our procedures are based on the criteria defined by the Board of Directors and the Group Management as described above. We consider these criteria as suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion
Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Group Management.

A Statutory Sustainability Report has been prepared.

Stockholm, 26 March 2024
Öhrlings PricewaterhouseCoopers AB

Niklas Renström
Authorized Public Accountant

GRI content index 2023

Statement on use	Coor Service Management Holding AB hereby reports in accordance with the GRI Standards and the report covers the reporting period 1 January 2023–31 December 2023.
GRI 1 standard	GRI 1: Foundation 2021
GRI Sector Standard	No sector standard is yet available

General standard disclosures

				OMISSION		
GRI STANDARD	DISCLOSURE	DISCLOSURE NAME	LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 2: General disclosures 2021	2-1	Organisational details	52–53, 70, 122			
	2-2	Entities included in the organisation's sustainability reporting	60, 88, 122, 128			
	2-3	Reporting period, frequency and contact point	60, 128, 161			
	2-4	Restatements of information	140			
	2-5	External assurance	52–65, 150			
	2-6	Activities, value chain and other business relationships	10–11, 14–25, 132–145			
	2-7	Employees	134–139			
	2-8	Workers who are not employees	134–139			
	2-9	Governance structure and composition	52–69, 128, 134, 139, 143			
	2-10	Nomination and selection of the highest governance body	53–60			
	2-11	Chair of the highest governance body	53–56, 66–67			
	2-12	Role of the highest governance body in overseeing the management of impacts	53–56, 60, 64, 128–131			
	2-13	Delegation of responsibility for managing impacts	53–56, 60, 128–132, 134, 139, 143			
	2-14	Role of the highest governance body in sustainability reporting	53–56, 60, 128–132			
	2-15	Conflicts of interest	55-56			
	2-16	Communication of critical concerns	62–63, 131–133			
	2-17	Collective knowledge of the highest governance body	56, 66–67			
	2-18	Evaluation of the performance of the highest governance body	55–56			
	2-19	Remuneration policies	56–58, 75, 96–98	2-19 a iv	*Not applicable*	
	2-20	Process to determine remuneration	56–58, 75, 96–98			
	2-21	Annual total compensation ratio	96–98	2-21 a, b, c	*Information unavailable*	*Might be included in 2024 reporting*
	2-22	Statement on sustainable development strategy	7–9			
	2-23	Policy commitments	60–64, 129–144			
	2-24	Embedding policy commitments	60–64, 129–144			
	2-25	Processes to remediate negative impacts	128–146	2-25 d	*Not applicable*	
	2-26	Mechanisms for seeking advice and raising concerns	131–133			
	2-27	Compliance with laws and regulations	132–133			
	2-28	Membership associations	128			
	2-29	Approach to stakeholder engagement	128–131			
	2-30	Collective bargaining agreements	134			

MATERIAL TOPICS

GRI STANDARD	DISCLOSURE	DISCLOSURE NAME	LOCATION	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 3: Material Topics 2021	3-1	Process to determine material topics	60, 128–131, 136			
	3-2	List of material topics	129			
Anti-corruption						
GRI 3: Material Topics 2021	3-3	Management of material topics	60, 128–133			
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	132–133	205-2 c, d, e	*Information incomplete*	*Might be inluded in 2024 reporting*
Anti-competitive behaviour						
GRI 3: Material Topics 2021	3-3	Management of material topics	60, 128–133			
GRI 206: Anti-competitive Behaviour 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	132–133			
Tax						
GRI 3: Material Topics 2021	3-3	Management of material topics	99-100, 132			
GRI 207: Tax 2019	207-1	Approach to tax	99–101			
	207-2	Tax governance, control, and risk management	64, 82–83, 99–101			
Energy						
GRI 3: Material Topics 2021	3-3	Management of material topics	60, 128–131, 139–140			
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	139–142	302-1 c iv, d i-iv	*Not applicable*	*No consumption of steam or sale of energy*
Emissions						
GRI 3: Material Topics 2021	3-3	Management of material topics	60, 128–131, 139–140			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	139–141			
	305-2	Energy indirect (Scope 2) GHG emissions	139–141			
	305-3	Other indirect (Scope 3) GHG emissions	139–141			
Waste						
GRI 3: Material Topics 2021	3-3	Management of material topics	139-142			
	Company-specific	Food waste	141–142			
Resource use						
GRI 3: Material Topics 2021	3-3	Management of material topics	60, 128–131			
	Company-specific	Chemicals use	139–142			
Supplier assessment – Environmental criteria						
GRI 3: Material Topics 2021	3-3	Management of material topics	60, 128–131, 142–144			
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	142–144			
Employment						
GRI 3: Material Topics 2021	3-3	Management of material topics	60, 128–131, 134			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	134–139			
Occupational health and safety						
GRI 3: Material Topics 2021	3-3	Management of material topics	60, 128–131			

				OMISSION		
				REQUIREMENT(S)		
GRI STANDARD	DISCLOSURE	DISCLOSURE NAME	LOCATION	OMITTED	REASON	EXPLANATION
GRI 403: Occupational Health and Safety 2018	3-3	Management of material topics	60, 128–131, 134			
	403-1	Occupational health and safety management system	131			
	403-2	Hazard identification, risk assessment, and incident investigation	135–137			
	403-3	Occupational health services	135			
	403-4	Worker participation, consultation, and communication on occupational health and safety	130, 134–138			
	403-5	Worker training on occupational health and safety	134–138			
	403-6	Promotion of worker health	29, 35, 40, 134–137			
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	134–137			
	403-9	Work-related injuries	134–137	403-9 b v	*Information unavailable*	
Training and education						
GRI 3: Material Topics 2021	3-3	Management of material topics	60, 128–131			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	137			
	404-2	Programmes for upgrading employee skills and transition assistance programmes	134			
	404-3	Percentage of employees receiving regular performance and career development reviews	138			
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3	Management of material topics	60, 128–131 134			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	27, 138–139			
Non-discrimination						
GRI 3: Material Topics 2021	3-3	Management of material topics	60, 128–131 135-136			
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	132–133, 135–137			
Security practices						
GRI 3: Material Topics 2021	3-3	Management of material topics	60, 128–131	3-3 a-e iii	*Information unavailable*	
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	130-131, 136			
Supplier social assessment						
GRI 3: Material Topics 2021	3-3	Management of material topics	60, 128–131, 143–144			
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	144			
	414-2	Negative social impacts in the supply chain and actions taken	143–144			
Customer privacy						
GRI 3: Material Topics 2021	3-3	Management of material topics	60, 128–131, 132–133			
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	133			

Five-year summary, selected key performance indicators

	2023	2022	2021	2020	2019
Net sales					
Net sales, SEK million	12,443	11,789	10,104	9,591	10,313
Net sales growth, %	*5.5*	*16.7*	*5.3*	*–7.0*	*8.7*
of which organic growth, %	*1.7*	*5.0*	*3.3*	*–6.8*	*5.3*
of which acquired growth, %	*2.3*	*9.1*	*2.5*	*2.0*	*2.4*
of which FX effect, %	*1.5*	*2.6*	*–0.4*	*–2.2*	*1.0*
Earnings and margins					
Operating profit (EBIT), SEK million	364	408	403	318	299
EBIT margin, %	*2.9*	*3.5*	*4.0*	*3.3*	*2.9*
EBITA, SEK million	494	565	593	511	484
EBITA margin, %	*4.0*	*4.8*	*5.9*	*5.3*	*4.7*
Adjusted EBITA, SEK million	606	634	631	556	549
Adjusted EBITA margin, %	*4.9*	*5.4*	*6.2*	*5.8*	*5.3*
Adjusted EBITDA, SEK million	848	851	829	756	749
Adjusted EBITDA margin, %	*6.8*	*7.2*	*8.2*	*7.9*	*7.3*
Profit before tax, SEK million	220	336	343	252	228
Profit after tax, SEK million	155	257	265	191	169
Adjusted net profit, SEK million	285	414	455	384	355
Cash flow					
Cash conversion, %	*86*	*94*	*98*	*108*	*104*
Capital structure					
Net working capital, SEK million	–1,060	–1,018	–940	–881	–774
Net working capital/Sales, %	*–8.5*	*–8.6*	*–9.3*	*–9.2*	*–7.5*
Net debt, SEK million	2,149	1,629	1,663	1,207	1,741
Leverage, times	2.5	1.9	2.0	1.6	2.3
Equity/assets ratio, %	*21*	*27*	*28*	*34*	*29*
Dividend per share, SEK	3.00[1]	4.80	4.80	4.40	0.00
Other key performance indicators					
Number of employees (FTE) at year-end	10,648	10,267	10,075	9,029	9,296
Customer Satisfaction Index (CSI)	71	71	74	70	68
Equal opportunities (gender distribution managers at end of period), % women/% men	53/47	50/50	51/49	50/50	48/52
Employee Motivation Index (EMI)	76	76	78	78	77
TRIF	5.5	7.0	8.9	9.9	10.6
tCO_2e from our vehicle fleet (Scope 1)	3,041	3,358	3,237	3,038	3,092
tCO_2e from our premises (Scope 2)	323	333	445	637	873
$kgCO_2e/kg$ purchased food from food and beverages (Scope 3)	2.15	2.20	2.16	2.23	2.27
Supplier engagement, %	*18*	*4*	–	–	–

1) Proposed dividend subject to adoption at the AGM on 26 April 2024.

Purpose of the selected key performance indicators

To give its investors and other stakeholders clearer information about the Group's operations and its underlying success factors, Coor has chosen to provide information about a number of key performance indicators. The purpose of these indicators is explained below. For definitions of terms and information on how the key performance indicators are calculated, see the section *Definitions*.

Growth
The Group considers that organic growth best reflects the underlying growth of the business, as this measure excludes the effect of acquisitions and fluctuations in exchange rates.

Earnings and profitability
To reflect the performance and profitability of the underlying business more accurately, the Group has defined key performance indicators in which earnings have been adjusted for items affecting comparability and for amortisation and impairment of goodwill, customer contracts and trademarks. The Group considers that adjusted EBITA is the measure of operating profit which most clearly reflects the underlying profitability. It is also based on this measure of earnings that the Group's segments are followed up and evaluated internally.

The adjusted net profit measure of earnings excludes the non-cash items amortisation and impairment of goodwill, customer contracts and trademarks from consolidated net profit and is used as a basis for deciding on dividends to the shareholders.

Cash flow and working capital
Coor always works proactively to safeguard its cash flow, from a working capital as well as an investment perspective. Coor focuses on analysing cash conversion, which is defined as the ratio of a simplified operating cash flow to adjusted EBITDA.

The Group's target is a cash conversion of at least 90 per cent on a rolling 12-month basis. To ensure that the measure provides a true and fair picture over time, the Group calculates cash conversion using measures of operating profit and operating cash flow which exclude items affecting comparability.

To achieve the defined target for cash conversion, strong emphasis is placed on minimising working capital and maintaining negative working capital. The Group therefore continuously monitors the size of working capital relative to net sales.

Net debt and leverage
To ensure that the Group has an appropriate funding structure at all times and is able to fulfil its financial obligations under its loan agreement, it is relevant to analyse net debt and leverage (defined as net debt divided by adjusted EBITDA). The Group's objective is to maintain a leverage of less than 3.0 times.

Reconciliation of selected key performance indicators, SEK million	2023	2022	2021	2020	2019
Operating profit (EBIT)	**364**	**408**	**403**	**318**	**299**
Amortisation and impairment of customer contracts and trademarks (Note 10)	130	156	190	193	186
EBITA	**494**	**565**	**593**	**511**	**484**
Items affecting comparability (Note 4)	112	69	38	46	65
Adjusted EBITA	**606**	**634**	**631**	**556**	**549**
Depreciation and amortisation	242	217	198	199	199
Adjusted EBITDA	**848**	**851**	**829**	**756**	**749**
Profit for the period, continuing operations	**155**	**257**	**265**	**191**	**169**
Amortisation and impairment of customer contracts and trademarks	130	156	190	193	186
Adjusted net profit	**285**	**414**	**455**	**384**	**355**
Specification of working capital					
Inventories	29	27	18	15	16
Accounts receivable	1,591	1,511	1,346	1,144	1,310
Other receivables	25	19	24	32	21
Prepaid expenses and accrued income	363	378	345	210	401
Accounts payable	–1,177	–1,102	–788	–607	–978
Other liabilities	–388	–352	–294	–249	–242
Accrued expenses and deferred income	–1,525	–1,502	–1,592	–1,424	–1,303
Less interest-bearing receivables/liabilities	23	3	1	–1	0
Net working capital	**–1,060**	**–1,018**	**–940**	**–881**	**–774**
Specification of net debt					
Long-term borrowings	1,321	1,850	1,997	1,273	1,856
Short-term borrowings	1,000	–	–	–	12
Lease liabilities	371	301	299	330	381
Provisions for pensions	27	25	22	18	20
Cash and cash equivalents	–534	–484	–628	–396	–497
Interest-bearing financial assets	–35	–63	–26	–18	–31
Current interest-bearing receivables	–1	–1	–1	–1	–1
Net debt	**2,149**	**1,629**	**1,663**	**1,207**	**1,741**
Cash conversion					
Adjusted EBITDA	848	851	829	756	749
Change in net working capital	12	47	49	133	101
Net investments	–131	–93	–67	–65	–63
Other	0	–2	–1	–5	–5
Cash flow for calculation of cash conversion	**728**	**803**	**809**	**818**	**781**
Cash conversion, %	**86**	**94**	**98**	**108**	**104**

Definitions

Definitions

Cost of services sold
Costs which are directly related to the performance of the invoiced services, depreciation and impairment of machinery and equipment, and amortisation and impairment of goodwill, customer contracts and trademarks.

Items affecting comparability
Items affecting comparability mainly comprise costs for integration of contracts and acquisitions as well as more extensive restructuring programmes. Items affecting comparability are included either in cost of services sold or selling and administrative expenses.

EBITA
Operating profit before amortisation and impairment of goodwill, customer contracts and trademarks.

Adjusted EBITA
Operating profit before amortisation and impairment of goodwill, customer contracts and trademarks, excluding items affecting comparability.

Adjusted EBITDA
Operating profit before depreciation, amortisation and impairment of all property, plant and equipment and intangible assets, excluding items affecting comparability.

Adjusted net profit
Profit after tax excluding amortisation and impairment of goodwill, customer contracts and trademarks.

Net working capital
Non-interest-bearing current assets less non-interest-bearing current liabilities at the balance sheet date.

Net investments
Investments in property, plant and equipment and intangible assets less consideration from sale of property, plant and equipment and intangible assets.

Equal opportunities
Gender distribution between men and women in management positions. The term "manager" refers to an employee with staff responsibility.

Employee Motivation Index (EMI)
Each year, Coor conducts a comprehensive employee survey with the help of an external research firm.

Customer Satisfaction Index (CSI)
Each year, Coor conducts a comprehensive customer survey with the help of an external research firm.

Scopes 1–3
Scope 1 encompasses all direct greenhouse gas emissions. For Coor, this includes emissions from the combustion of fossil fuels from vehicles and machinery.

Scope 2 includes indirect emissions from energy consumption in the form of electricity, heating and cooling.

Scope 3 includes all other indirect emissions from purchased goods and services, business travel, capital goods, investments, employee commuting, waste disposal, upstream transportation and distribution.

Calculation of key performance indicators

Net sales growth
Change in net sales for the period as a percentage of net sales for the same period in the previous year.

Organic growth
Change in net sales for the period as a percentage of net sales for the previous year, excluding acquisitions and FX effects.

Acquired growth
Net sales for the period attributable to acquired businesses, excluding foreign exchange effects, as a percentage of net sales for the same period in the previous year.

Operating margin (EBIT margin)
Operating profit as a percentage of net sales.

EBITA margin
EBITA as a percentage of net sales.

Adjusted EBITA margin
Adjusted EBITA as a percentage of net sales.

Adjusted EBITDA margin
Adjusted EBITDA as a percentage of net sales.

Earnings per share
Profit for the period attributable to shareholders of the parent company divided by the average number of ordinary shares.

Equity per share
Equity at the end of the period attributable to shareholders of the parent company divided by the number of shares at the end of the period.

Cash conversion
Adjusted EBITDA less net investments and adjusted for changes in working capital, as a percentage of adjusted EBITDA.

Net working capital/net sales
Working capital at the balance sheet date as a percentage of net sales (rolling 12 months).

Net debt
Non-current and current interest-bearing assets less non-current and current interest-bearing liabilities at the end of the period.

Leverage
Net debt at the end of the period divided by adjusted EBITDA for the last 12-month period.

Equity/assets ratio
Consolidated equity and reserves attributable to shareholders of the parent company, as a percentage of total assets at the end of the year.

TRIF (total recorded injury frequency) rate
Total number of injuries multiplied by 1,000,000/number of working hours. Injuries to and from the workplace are excluded.

Scope 1 GHG emissions
Emissions of carbon dioxide equivalents from purchased fuel for owned and leased machinery and vehicles are reported in absolute values (tCO_2e).

Scope 2 GHG emissions
Emissions of carbon dioxide equivalents from electricity, heating and cooling in premises where Coor has operational control over its energy consumption, in absolute values (tCO_2e).

Scope 3 GHG emissions – food and beverages
Emissions of carbon dioxide equivalents from purchased foods included in the food and beverages service delivery ($kgCO_2e$/kg purchased foods).

Scope 3 supply chain GHG emissions
The sum of emissions from suppliers with SBTs (for the reporting year) divided by the sum of emissions from purchased goods and services and upstream transportation and distribution (for the reporting year).

General concepts

The company
When Coor uses "the company", this refers to Coor Service Management Holding AB and all companies in the Group, including subsidiaries.

FM and the FM market
Services in and around a property, such as property maintenance, cleaning, food and beverages, and security.

Full-time equivalents
Full-time employee equivalents, or FTE. The number of employees on a full-time equivalent basis.

HSEQ
Short for health, safety, environment and quality.

IFM
Integrated facility management, also called TFM (total facility management) and IFS (integrated facility services). Coordinated management and control of two or more facility management services.

Nordic region
Denmark, Finland, Norway and Sweden (Iceland excluded).

Service management
Service management is defined as coordinated control and management of a number of services. The idea is to manage one or several services in a more structured and coordinated way, and to deliver what has been agreed more efficiently using established processes, and at the agreed cost and quality.

Triple bottom line
Monitoring the operations in three dimensions: business, social and environmental dimension.

Share information

SHARE PERFORMANCE

Coor's share price declined in 2023. The closing price on 29 December 2023 was SEK 43.62, a decrease of 32.2 per cent over the year.

Over the same period, the OMXSPI (Stockholm All Share) index gained 15.48 per cent. The highest closing price during the year was SEK 71.00 on 23 February and the lowest SEK 35.42 on 26 October.

SHARE TURNOVER

During the year, a total of 100,163,720 shares were traded, representing a combined value of SEK 5,320,696,806 (5.3 billion). On average, 399,058 shares changed hands each day.

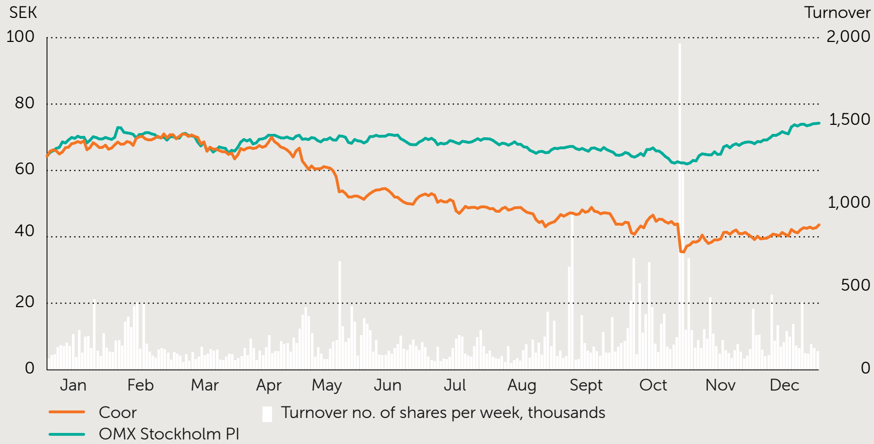
SHAREHOLDERS

On 31 December 2023, Coor had 15,900 shareholders. At the same date, the ten largest shareholders controlled 50.72 per cent of the capital and voting rights. The three largest shareholders were Första AP-fonden, Mawer Investment Management and Nordea Funds Foreign owners held 44.86 per cent of the capital and voting rights.

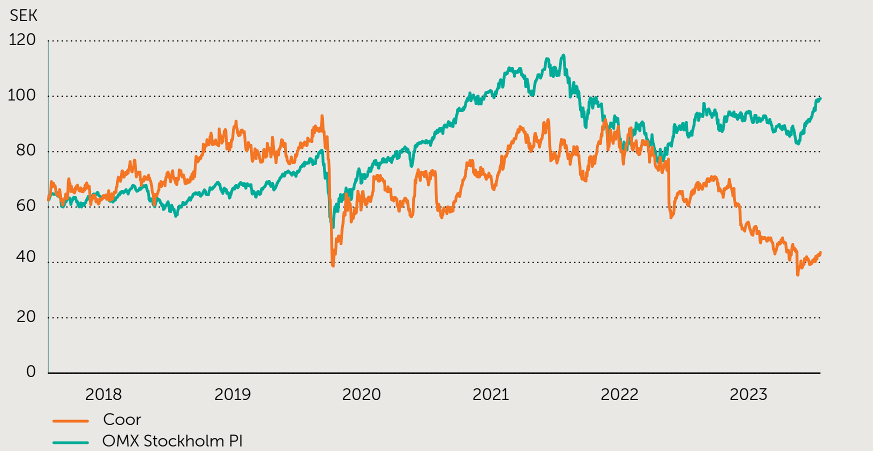
SHARE CAPITAL

On 31 December 2023, Coor had a share capital of SEK 383 million. The number of shares was 95,812,022, representing a quotient value per share of SEK 4. Under the Articles of Association, the share capital must be at least SEK 200 million and no more than SEK 800 million, represented by at least 50,000,000 shares and no more than 200,000,000 shares. The free float – the portion of shares available for trading – was 100 per cent at year-end.

Share performance, 1 January–31 December 2023



Share performance, 2018–2023



The ten largest owners

Shareholder	Votes, %	Holding, %	Total number of shares
Första AP-fonden	8.90	8.90	8,531,474
Mawer Investment Management	7.45	7.45	7,134,503
Nordea Funds	6.61	6.61	6,329,478
Didner & Gerge Fonder	5.89	5.89	5,642,352
SEB-Stiftelsen	4.49	4.49	4,300,000
Andra AP-Fonden	4.46	4.46	4,277,284
Taiga Fund Management AS	4.06	4.06	3,890,027
SEB Fonder	3.96	3.96	3,791,625
Tredje AP-fonden	2.49	2.49	2,388,732
Swedbank Robur Fonder	2.41	2.41	2,306,000
Total, ten largest shareholders	**50.72**	**50.72**	**48,591,475**
Other shareholders	49.28	49.28	47,220,547
TOTAL	**100.0**	**100.0**	**95,812,022**
Shares owned by Coor Service Management Holding	0.9	0.9	825,807

Ownership structure

Size class	Number of known shareholders	Number of shares	Holding, %	Votes, %	Share of known share-holders, %
1–500	12,060	1,660,452	1.73	1.73	75.85
501–1,000	1,719	1,363,757	1.42	1.42	10.81
1,001–5,000	1,685	3,708,329	3.87	3.87	10.60
5,001–10,000	197	1,431,724	1.49	1.49	1.24
10,001–20,000	110	1,610,503	1.68	1.68	0.69
20,001–	129	79,131,882	82.59	82.59	0.81
Unknown holding size	–	6,905,375	7.21	7.21	0.00
TOTAL	**15,900**	**95,812.022**	**100**	**100**	**100**

Liquidity, 1 January–31 December 2023, Nasdaq Stockholm	
Lowest, SEK	32.72
Highest, SEK	71.60
Volume-weighted average price, SEK	51.28
Number of shares traded	44,637,564
Average per day	177,839
Number of transactions	193,563
Average number of transactions per day	771
Average value per transaction, SEK	11,825
Average daily volume, SEK million	9.1
Daily volume as a percentage of market value	0.19
Nasdaq, %	44.4
Block transactions, %	19.3
Dark pools, %	2.9

DIVIDEND

The Board of Directors proposes a dividend for 2023 of SEK 3.00 (4.40) per share, comprising an ordinary dividend of SEK 2.40 (2.00) and an extraordinary dividend of SEK 0.60 (2.40). It is proposed that the dividend be paid in two instalments, of SEK 2.40 and SEK 0.60 per share. This represents to a total distribution of SEK 287 million.

IR ACTIVITIES

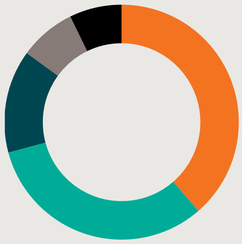
Investor relations activities in 2023 focused on continuing to strengthen Coor's position in capital markets. Management took part in conferences, was available for questions and held a large number of meetings, online and in-person, on both the buy and sell sides to ensure that there is a wide familiarity with the company in the market. In addition to Stockholm, Coor visited Helsinki, Oslo, Amsterdam, Brussels and Paris, primarily in connection with the release of interim reports.

ANALYSTS

Coor is followed by DNB, Nordea and the Swedish Shareholders' Association.

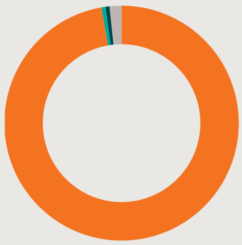
Data compiled by Modular Finance.
Sources include: Euroclear, Morningstar, Swedish FSA.

Distribution of ownership by category



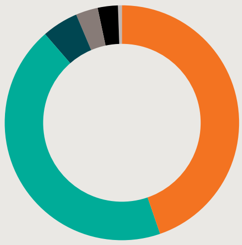
- Swedish institutional owners 39%
- Foreign institutional owners 32%
- Swedish private individuals 14%
- Other 8%
- Unknown owner category 7%

Distribution of ownership by country



- Sweden 97.47%
- Finland 0.48%
- Norway 0.44%
- USA 0.17%
- Canada 0.02%
- Other countries 1.42%
- Unknown country 0%

Trading platforms



- Cboe Global Markets 46%
- Nasdaq OMX 44%
- LSE Group 5.3%
- ITG 1%
- Aquis 2%
- Other 1%

Specific shareholder information

2024 AGM

Participation in the AGM

Coor's AGM will be held on 26 April 2024 at Kista Entré, Knarrarnäsgatan 7, Kista, Stockholm. The Board of Directors has decided that shareholders should also be able to exercise their right to vote at the AGM through postal voting in accordance with the provisions of the company's Articles of Association.

Issue of notice and registration

The notice was published on 19 March 2024. The deadline to register for the AGM is 22 April 2024.

Record date

The record date for participation in the AGM is 18 April 2024.

FINANCIAL CALENDAR

5 April 2024	Annual report and sustainability report 2023
24 April 2024	Interim Report January–March 2024
26 April 2024	2024 AGM
12 July 2024	Interim Report January–June 2024
24 October 2024	Interim Report January–September 2024
6 February 2025	Year-End Report January–December 2024

A continuously updated calendar is available at coor.com/investors.

Distribution policy

All financial reports are available in English and Swedish, and are published on Coor's website under the tab coor.com/investors.

A printed version of Coor's annual report is distributed to investors who specifically request a copy by e-mail: ir@coor.com

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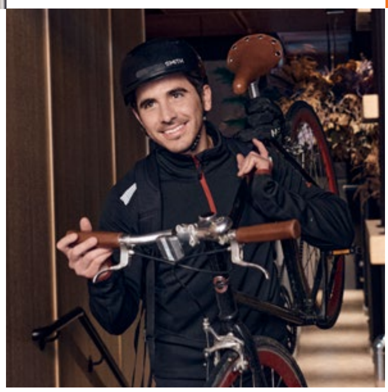

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